

Campaign, Interrupted

The 2008 Presidential Election and the Financial Crisis

Ingeborg Fauske Ekdahl



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The 2008 Presidential Election and the Financial
Crisis

By Ingeborg Fauske Ekdahl

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Ingeborg Fauske Ekdahl

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Abstract

This thesis analyzes the campaign rhetoric of John McCain and Barack Obama in the context of Lynn Vavreck's theory of clarifying and insurgent campaigns, and finds that the onset of the Great Recession of 2008 constrained the ability of the campaigns to freely choose the issues on which to run, as well as significantly benefitted Barack Obama's presidential campaign as compared to John McCain's. Furthermore, it uses Jonathan Haidt's Moral Foundations Theory to provide content analysis of the specific electioneering rhetoric of the two campaigns, and finds that the two candidates increasingly relied on morally charged language as the campaign went on. In sum, it finds that although the Financial Crisis alone was unlikely to sink one campaign or salvage the other, the combination of the onset of the crisis, the historical context of the election, and the nature of the news media had significant effects on both campaigns

For my parents, to whom I owe so very much.

I would like to extend my deepest gratitude to my advisor, David Mauk, for much patience and helpful advice and encouragement; my family, for their unending support and understanding; and my friends for believing in me. I could not have done this alone.

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Introduction

As the public approached the voting urns on November 4, 2008, it was on the eve of a historic election, and hot on the heels of a campaign unlike any before it. Not only was it the most expensive campaign in the history of American politics, with close to \$600,000,000 spent on presidential campaign advertisements alone ("Political Advertising in 2008"). The two major parties also drummed up a heretofore unseen diversity of primary candidates: the Democratic party had an unprecedented run-off between a female and an African-American presumptive Presidential nominee, and the Republican party featured its first female Vice Presidential candidate. However, the circumstances surrounding the election were arguably as remarkable as the candidates themselves. As the Presidential campaign rolled into its final few months, the economy of the United States took a decided turn for the worse. According to the National Bureau of Economic Research, the US had a period of economic expansion from late 2001 until it peaked in December 2007 (National Bureau of Labor Statistics, *Determination of...*) leading into the "Great Recession" of 2008-2009. The economy is rarely far from the voter's mind – especially in times of economic downturn, as evidenced by such successful campaign rhetoric as Bill Clinton's "It's the Economy, Stupid" and Ronald Reagan's famous 1980 rhetorical question, asking "Are you better off now than you were four years ago?" (Ronald Reagan Presidential Foundation). As candidates bowed out of the 2008 Presidential race one by one, and the Democratic and Republican parties eventually nominated Barack Obama and John McCain for their respective ballots, it became increasingly clear that the deepening recession was going to last at least as long as the campaign. In fact, the recession proved to be the most drawn-out and most severe period of economic downturn since the Great Depression of the 1930s (National Bureau of Labor Statistics, *Annual Report...* 25) and took on a crescendo-like quality as the financial markets crumbled throughout the campaign season. From Bear Stearns in March to Lehman Brothers in September, venerable old bastions of the financial world revealed hands that were far poorer than suspected, and by the so-called "Black Monday" of September 15, 2008, even Wall Street traders found themselves in a world without a roadmap (Twin).

This thesis will examine the 2008 Presidential campaign and how it was shaped by the drastic economic downturn of mid to late 2008, focusing in particular on the period leading up to and around the Lehman Brothers' bankruptcy. It will consider political advertising as well as political speeches from the two candidates as political acts, and analyze them in light

of relevant theories and research from the fields of political science and especially political psychology. The ultimate goal for a serious candidate running in any election is, after all, to achieve the office he or she is running for. When a candidate seeks to gain the Presidency, for instance, it is not only a matter of convincing the voting public that he or she is the best candidate, but also to inculcate the idea that the opponent is, at best, less qualified. Voters may choose to cast their vote in support of a candidate for a variety of reasons, not only because they like the candidate and the policies they support. Voters might vote to support their party, or they might vote not because they support the candidate, but because they want to keep the opponent out of office. Any candidate looking to win would be wise to appeal to voters with varying motivations, not just the true believers.

Our modern society is rife with information, and the richness and availability of that information only increases with each new technological innovation. In the Western world, knowledge has leapfrogged with technology: from the radio to the television broadcast system to the internet, the way we obtain, share and disseminate information has been one of ever expanding reach and speed. However, quantity is irredeemably separate from quality. Considering that we live in a world where most American voters can bring up a mountain of information on a given candidate with a few strokes of a keyboard, or a press of a TV remote, does this change a person's attitude toward this information? What does it mean when voters attain much of their information through the mass-media outlets upon which the electorate is becoming more and more dependent for its information? In a 24-hour news cycle, wherein candidates are becoming more and more attuned to the sound-byte – the short, snappy comment meant to be replayed over and over on every newscast and radio show to hammer a message through to the voter – what are the effects on the candidate's ability to get his or her message out? And what are the effects on the voter, asked to make a real decision between candidates who are both working hard to make the opposing party look bad, when arguably the most accessible and most common political information available to the public is a 30-second ad made with all the bells and whistles of modern advertising? Questions like these provide fertile ground for an analysis of the 2008 election.

The Structure of the Thesis

This thesis sprung out from a simple question. The financial crisis of 2008 caused shockwaves that spread not only through the United States, but that reverberated around the world. Surely, it must also have affected the election – but how?

To answer this, the hypothesis put forth rests on three assumptions. First, campaigns make a difference. What the candidates say, and how they say it, is not insignificant to the outcome of the election. Not only does it affect how the electorate cast their votes, but the effects last beyond Election Night: what the winning candidate campaigns on is not only what gets them into office, but also becomes the basis for evaluating the candidate's performance once inaugurated. Second, that political advertising matters the state of the news media and news consumption increase the efficacy and predominance of political advertising. And third, that the financial crisis of 2008 was of such a nature – sudden, complicated, and requiring a fairly high level of technical financial knowledge and numeracy to understand – that most of the electorate could not be reasonably expected to fully understand it, and were therefore more likely to rely on the candidate's interpretations of events in order to make sense of what happened and how best to correct the situation. This is what compels candidates to respond, and how they respond has lasting effects beyond the Tuesday after the first Monday of November. The question then becomes: how did the candidates respond to the crisis?

The structure of the thesis is roughly chronological, where the events of the presidential election campaign is considered alongside the developments in the financial sector. It analyzes the message and theme of the campaigns and how these changed in response to the financial crisis. To this end, the speeches and political advertising put forth by the two candidates are considered as strategic political acts, carried out to fulfill three major goals for each candidate: to define their own image according to their own ends, to define the opposition in terms that support their own claim, and to motivate the voter to cast their ballot either with the candidate or against the opposition.

Chapter One introduces the theories and research relevant for this thesis. It discusses the meaning and role of campaigns and fundamentals, and provides a theory for analyzing the specific content of ads and speeches. This chapter also provides discussion on the topic, relevant terminology, sources, and methodology. In this chapter, Lynn Vavreck's campaign typology and Jonathan Haidt's Moral Foundations theory are introduced.

Chapter Two discusses the role of the mass media in the dissemination of news and political information to the public. It examines how the modern media shapes and influences politics, with a particular focus on political advertisements as information providers, and considers the changes in the mass media that have contributed to the rise of political televised advertisement. It also discusses the current state of political advertising, criticisms towards content and financing, and possible benefits of political advertisements.

Chapter Three looks at the historical context of the 2008 election in terms of politics and finance. It discusses the McCain and Obama campaigns in terms of Vavreck's campaign typology and Moral Foundations theory based on the nomination speeches and the ads aired before the Lehman bankruptcy, which marked the onset of the financial crisis in true form.

Chapter Four briefly covers the nomination process for both major parties before delving into the analysis of the campaigns themselves. In this chapter, the relevant speeches and ads, as well as how they are coded for the analysis, are presented and analyzed.

Chapter Five analyzes the candidates' campaign speeches and advertisements following "Black Monday" and up until Election Night. It examines how the candidates' strategies towards the economy shifted, and whether or not they conformed to Lynn Vavreck's campaign typology. Finally, it summarizes the findings and provides some concluding remarks.

Chapter One: Fundamental Building Blocks

1.1 A Pause for Deliberation

At this point, some deliberation is warranted. Before advancing to the specific theory, methodology and context of this thesis, an elaboration and discussion of the relevant terms should prove helpful. Perhaps most importantly, the speeches and advertisements that comprise the source material in this thesis will be considered as more than an impassive information service from the candidate informing the voter of where they stand on the issues, or why they are better suited for the Presidency. These statements are, by their very nature, deliberate political acts. There is little left to chance, especially in a Presidential campaign, during which most candidates have the clout and financial resources to hire highly qualified advisers and staff members. By the same token, though on a lesser scale, voting itself will be considered, and referred to, as a political action undertaken by the voter. There is little to suggest that voting is a task undertaken at random: Civic duty though it may be, the fact that only 61.6% of the voting-eligible population cast their vote for the Presidential candidates in 2008 suggests that some motivating factors are at play which go beyond the obligation and right of a member of a democratic society (McDonald, "2008 General Election..."). Certainly, some cast their vote purely out of a social obligation – few states track blank votes, however, and only Nevada offers a "None of these Candidates" option on the ballot (McDonald "Voter Turnout...") – but when more than a third of the voting-eligible population choose to stay home during a general election, it becomes clear that voting is a conscious, voluntary act, and presumably one that satisfies some desire in the voter that overrides the relative effort and difficulty involved in casting their vote (selecting a candidate, getting to the voting locale, likely having to wait in line, and so forth). As such, this thesis will be based on the following three premises. First, advertisements and prepared statements made by a political candidate are overtly political by their nature and can be analyzed as such. Secondly, the majority of the voting-eligible population who choose to actually vote, do so for reasons that go beyond the mere fact that they are able to and live in a society in which voting is expected of them (as implied above, one would expect to see much higher rates of participation if the mere expectation of voting was enough.) The third premise is that serious candidates for a high political office, and certainly for the presidency, will use every tool at their disposal to convince the voting public to support their candidacy, and that the selection of one candidate

over another reflects the winning candidate's success at utilizing political tools, the losing candidate's failure to do the same, or both.

Furthermore, this thesis concerns itself with the general phase of a United States presidential election. This means that the findings are limited to the American context, which also colors the text. Specifically, the thesis will avail itself of American definitions, specifically of the term *liberal*, which holds separate meanings in American politics compared to the rest of the world. A liberal, in this text, refers to someone placed left of center on the political spectrum. As such, they will be relatively friendly to the federal government and relatively favorable towards government regulation to serve the common good. The term *conservative* is less problematic, but for the sake of clarity will be used to refer to an individual belonging right of center: they will tend to favor limited government and a high degree of personal freedom, seeing the government's role as doing as little as possible while maintaining its most basic functions.

Finally, the thesis will use some rather common phrases in a specific way. When analyzing and discussing the advertisements, *candidate* refers to the candidate responsible for the ad, and *opponent* refers to the other candidate. In an advertisement by Barack Obama's campaign, Obama himself is the candidate, and McCain is the opponent, and vice versa for a McCain campaign ad. This may seem self-explanatory, but as the meaning of the terms is not fixed, but rather shifts depending on which campaign released the specific ad, it seemed prudent to make that clear. When speaking of content, this refers to the different aspects of what is usually called the message of the ad: the specific things intended to sway the watcher towards the candidate and away from the opponent. The differences between the categories of content are discussed in more detail below.

1.2 Sources

There are several tools in the candidate's toolbox: mass-mailing campaign material, robocalling (automated telephone calls to deliver a recorded message), stump speeches, creating and maintaining an online presence (through websites, email lists and social media,) recruiting and organizing volunteers for canvassing efforts, public and broadcast debates, and creating and distributing ads through mass media as well as social media. Analyzing all of these campaign strategies would reveal a dataset much too large for the time and page count allotted to a master's thesis, not to mention that some of the data might have proven difficult to unearth. Narrowing the analysis to televised political advertising and candidate speeches

provides as set of primary sources that is both large and important enough to warrant a closer look, while not becoming too broad to impart a deeper understanding. The choice of primary media outlet, television over the Internet, is driven by two factors. The first is the fact that the Internet is inherently an interactive medium, and through interactivity, the Internet breeds self-selection: people actively choose to seek out political advertising online (for instance by clicking on a link or searching for it on Youtube.com). One may argue that television also involves a certain interaction, as the viewer is free to change channels when they are bored or displeased, or to selectively view channels that they expect to give them what they want. However, the similarity ends at choosing to switch on the receiving device (TV or computer); the television consumer is asked to accept or reject an entire package of media pre-selected by the channel executives, whereas the internet requires one to not only actively seek out information, but to know where to look. Though switching channels likely makes one less of a captive audience, it is still less interactive than taking in a wide range of options (be they websites, video clips or individual news articles) and deciding to actively pursue the one that catches one's fancy.

Secondly, as is discussed below, in 2008, more Americans had access to a TV than had access to a computer with a high-speed Internet connection. According to Nielsen, 98 percent of American homes had at least one television set (Nielsen, *Television Audience 2008* 3), whereas just under 62 percent of US households had Internet access of some form in 2007, with 29 percent of householders having no Internet access at work or at home (United States, "Households Using the Internet"). While social media and online presence is becoming increasingly important as an information channel between candidate and voter, in 2008 it had not quite achieved the mass distribution of television. Therefore, television ads have been chosen as the primary source to analyze. There is an added benefit in that the advent of YouTube and other video sharing sites have made it increasingly easy for candidates to spread their message further at virtually no extra cost. However, these ads have been created first and foremost with the television viewer in mind, and will therefore be considered primarily as televised advertisements, though they were accessed online for the research undertaken. Furthermore, speeches by the candidates will be analyzed to give a richer picture of the ideological and rhetorical positioning of both candidates. Speeches have been accessed from the vast collection of election documents at the American Presidency Project's site, hosted by the University of California, Santa Barbara. The advertisements come from Stanford University's Political Communication Lab's comprehensive collection.

Voter motivation and ideology are complicated subjects. Lacking the kind of large quantitative primary sources such as polling and questionnaire datasets, the focus is instead on a broader set of secondary sources and insights to anchor the findings and conclusions of the thesis. The secondary sources will provide the analytical tools and theoretical insight to make sense of the findings. The two foundational theories that will underpin this thesis are Lynn Vavreck's work on the effects of the state of the economy on presidential campaigns, and Jonathan Haidt's Moral Foundations theory, or MF theory. These theories will be explored in more detail below: for the purposes of this section, a very basic summary will suffice. Lynn Vavreck divides campaigns into *clarifying* and *insurgent* campaigns. The state of the economy naturally tends to disadvantage one party and benefit the other, and the campaigns are categorized as clarifying, if they are benefitted by the state of the economy, or insurgent if they are disadvantaged by the economy. Moral Foundations theory posits that there are six basic foundations for evaluating (in this case) political action and policy, and that understanding these foundations provides a relatively simple explanation for the culture wars in modern Western societies: research shows that liberals and conservatives place different relative emphasis on the six foundations. This, in turn, leads to discussions where conservatives and liberals end up seemingly not even talking about the same topic any more, because they are discussing the topics from separate moral vantage points.¹ Other secondary sources include books and peer-reviewed articles, as well as news articles. The news articles do not include opinion articles, as they have been chosen mostly to reflect the changes in public opinion and attention as the presidential election progressed.

1.3 Methodology

Ultimately, this thesis does not seek to pinpoint the terms on which the presidential election was won – or lost. Elections cannot be determined by a single variable – if they could, predicting election outcomes would not be so notoriously hard. There would likely not be so many different approaches, methods, and experts if a single one of them would suffice to reliably make the correct prediction. An election campaign is a complex, fluid affair, responsive to the present moment and to changes in the political, economic or social realities of its day. A plausible study of causation would need sophisticated tests and questionnaires,

¹ It should be noted that the findings for Moral Foundations theory apply to conservatives and liberals in countries selected from all continents, which suggests that Moral Foundations as an explanatory model functions independently of the American political and cultural context.

not to mention access to the voting public at the time surrounding the election in question. Such tools are not available to this author, and this thesis must therefore "stand on the shoulder of giants" and rely on the work done by others before this. Therefore, the focus is not on the voting outcome as such, but rather on the political rhetoric espoused by the candidates. The voting outcome becomes a secondary measure, in effect one of several yardsticks by which to measure the effectiveness of the rhetorical output. A major-party candidate who is successful at communicating a political standpoint and vision in a persuasive manner should see the proof of the pudding in the eating, or rather the voting. That is not to say that Obama winning the election means that his rhetorical approach was necessarily always the most effective, and certainly not that it is the only or the largest determining factor. It does, however, mean that this thesis considers McCain's loss as a reflection, at least in part, on his unsuccessful rhetorical approach.

The advertisement research in this thesis is based on the ads released by the candidates themselves. Advertisements created by the Republican and Democratic National Committees and third-party interest groups are not included, as the thesis concerns itself with the actual candidates' statements. Though one may argue that the national committees' advertisements are *de facto* also the candidates', and that the fact that the candidates represent the party *in addition to themselves* means there is an implicit endorsement of one by the other, the national committee ads have nonetheless not been taken into account. This is partially due to time constraints, but most of all to create a well-defined dataset, considering the fact that the analysis will involve both advertisements and speeches. The criteria for the dataset are as follows: First, the entity (speech or advertisement) should be deliberate and planned, to avoid gaffes or slips of the tongue, in order to avoid, in a term, plausible deniability on the part of the candidate. Second, it should be endorsed by the candidate themselves, and a product of the campaign staff or candidate, which disqualifies third-party ads. Third, it should be a discrete message; e.g. not an interview. What is left by these categories is a communicative message for which the candidate alone is accountable and responsible, by either creating or approving the message. All told, the dataset ended up containing 329 separate entries, comprised of 185 speeches (of which two were the nomination speeches) and 144 television ads. Of these, 108 of the speeches and 64 of the advertisements were given or aired before September 15, and 75 speeches and 80 of the ads were delivered after September 15. Though it is by no means an overwhelming amount of data, it still presented a sizeable amount of work – and, arguably, a sample size large enough to draw some meaningful conclusions.

Building on this dataset, one of the most important concerns throughout has been to avoid having to make judgement calls as much as possible. In research done by, for instance, the Wisconsin Advertising Project and the Wesleyan Media Project, ads have been coded by a large group of individual coders, often in separate teams, in order to negate the influence of personal biases and other such possible statistical noisemaking. However, this is more challenging when it comes to a graduate thesis: the coding and analysis put forth here is the work of a single individual, and as such, a possible error in judgment in deciding how to classify an ad would not be corrected in the aggregate. Therefore, when ads may arguably be classified in more than one category, the categorization will depend on which category is most prominent when judged by the amount of time devoted to the subject. Take for instance a hypothetical 30-second advertisement that spends 22 seconds lambasting the opponent, five seconds pointing out that the candidate's positions are different, and the last three seconds on the candidate message approval. This ad could be classified as negative, or as comparative; after all, the candidate certainly paints himself in a positive light by comparison. On the other hand, in this case more than two-thirds of the ad time is spent either on negative coverage of the opponent, so the argument could certainly be made that whatever positive information that is brought to light about the candidate is a drop in the bucket compared to the negative information that preceded it. Nonetheless, in the interest of avoiding judgment calls and creating as rigid a framework as possible, such an ad will be counted as comparative if meaningful policy information is brought up. As an example, an advertisement may spend two-thirds of its time claiming that the opponent's lacking foreign policy experience threatens America's safety internationally, before spending the last five seconds mentioning a specific policy approach that the candidate has endorsed ("Candidate Y voted to increase military support for Israel!") This would properly count as a comparative ad, as it gives specific information on where the candidates differ. However, if the ad ended by stating, for instance, that Candidate Y "has always supported out troops", that would be counted as a negative ad: one would be hard pressed to find a major-party candidate that was unsupportive of the men and women who serve in the military, regardless of their foreign policy approach. Such general statements offer no meaningful basis of comparison or evaluation of the candidates.

A second point to be made is that ads are analyzed on two levels. The levels are the categories of content that each individual advertisement provides: *full-ad* content and *reference* content. *Full-ad content* refers to the advertisement seen as a whole: is the ad about the candidate? The economy? Social issues? Foreign policy? Again, advertisements are classified according to majority content. *Reference content* is meant to give more depth to the

analysis. Whereas full-ad content represents what the ad is concerned with, for instance the economy, it does not provide any information beyond that. Reference content encompasses the many facets of a single issue, and tells the outside observer what a candidate believes to be the most politically expedient issues at any given point in time, as well as trying to impress on the electorate which topics they ought to take into consideration. Consider two hypothetical ads. The first spends ten seconds dissecting the opponent's record on the subject of tax cuts for middle-class families, the following ten seconds on a hypothetical scenario describing what will happen if the opponent wins the election, and the last ten seconds on a glowing description of the candidate's vastly preferable stance on taxes. The second ad spends the first twenty seconds alleging that the opponent's close ties with Corporation X means that their economic policy approach is weighted in favor of said corporation, and the last ten seconds explaining that the candidate's policy proposal is driven by their concern for the middle class worker rather than the CEO. While both of these advertisements are accurately classified as economic ads when seen as a whole, they are still different ads with different references, which are most properly understood in the historical context of the ad. Consider the infamous "Daisy" ad without the context of the Cold War nuclear arms race. Or, in the scenario above, consider the second advertisement aired against a political candidate with ties to Enron, in the days after the Enron scandal unfurled. It seems clear that the historical context of an ad, as well as the way the ad references the context, greatly influences the meaning of the ad beyond simply denoting it as an advertisement about economic issues, or about foreign policy, or any other political topic. However, whereas an ad may only fall within one full-ad content category, it will almost certainly contain more than one particular set of reference content. It may discuss the economy in terms of both taxes and jobs, for instance, or a single ad may span several topics, such as healthcare and government spending, or tax policy and outsourcing. Taken together, full-ad content and reference content tells us not only what the candidate believes is important in the election cycle, such as the economy, but it also indicates which dimensions of a topic they anticipate will resonate most strongly with the electorate.

1.4 The Two Modes of Campaigns

Campaigns may be seen to work on two distinct levels.² The first is simply to get the most votes. The campaigns are motivated to win, and in order to achieve that goal, they need to gain the support of slightly more than half of the electorate. Though it is by all means possible to win the election without winning the popular vote, this is a rare event: traditionally, winning the popular vote and winning the electorate college go hand in hand. On this level, the campaign and candidate messages matter due to how well they influence voters to move away from their opponent or to remain in the candidate's camp. This is the level where polling and ads matter the most, and where the campaigns are more flexible to respond to the day-to-day changes of the election season. The campaigns engage in a dialogue, of sorts – a message is put forth, and the other side responds to refute or negate the point. The campaigns may shift their message – the slogan, the essential information – to fit the circumstances, but they often adhere to a larger theme.

This larger theme is the second level, which is somewhat more abstract: contending campaigns, taken as a whole, may be seen as an ideological, large-scale discussion over time of the proper role of government in relation to the nation and its citizens. Should America follow an interventionist foreign policy, or should America largely remain isolationist? Is the nature and proper role of government to protect the weak and ensure an even playing field for all, no matter their starting point in life? Or is a national government, in its essence, dependent upon coercion and infringement of the rights of its citizens to live their lives freely, and should it therefore focus its effort on protecting citizens from violence, nation-state aggression and crime? What is the proper role of laws and punishment? May a citizen take the life of another in self-defense, and if so, under what circumstances? May a nation decree that discrimination based on gender, sexual orientation or age is unjust and enforce private citizens and corporations to comply? A relatively sophisticated or knowledgeable observer may readily classify the responses to such questions into the appropriate ideological category. However, being unable to place the statements within the correct political dimension does not preclude participation in the discussion: one does so by voting. In discussing the function of party platforms, Larry David Smith writes:

² A problematic aspect in this type of analysis is the dual meaning of the word "campaign". In this analytical context, it can mean either the candidate themselves, as well as their staff and whomever else is responsible to running the electioneering effort, or it can mean the rhetorical output of the candidate in the form of speeches, advertisements, debates, interviews, mass mailings, et c. In this thesis, the former meaning will be the most common.

Through their capacity to consolidate diverse interests, the Democrat and Republican parties not only define the American approach to governance, they perpetuate that strategy. This systemic need for coalition formation created the conventions and, over time, an institutional rhetoric through which these quadrennial syntheses may be built. (532)

This, it seems reasonable to conclude, is no less true for the campaigns as a whole than for the party conventions in particular. That is, much like conventions consolidate the range of political sentiment within a party to one (relatively) unified whole, campaigns consolidate the range of political sentiment within the electorate into two (relatively) unified camps that go toe to toe on how to govern the nation every two years. Note that this implication does not mean that all who voted one party over the other necessarily agree with all their chosen party espouses politically: Libertarians, for instance, may choose to vote Republican simply because the Republican party is more in line with their beliefs than the Democrats. Moreover, third parties and factions may rise to grab a nationally significant portion of the electorate based on a given issue if the two major parties fail to include this under their banner. However, this was not the case in 2008.

Whether as a vote-getting machine or a policy discussion, campaigns do not exist in a vacuum. The context of the election, such as the state of the economy, America's current role in the world, or the most pressing domestic policy issues, affects the campaigns as the candidates often take different positions on the subjects. Likewise, aspects of the candidates, and of the electorate, may also affect how the campaign moves forward. These are often referred to as the fundamentals. How the candidates choose to respond to the fundamentals – for instance by focusing on one topic over another, or emphasizing some aspects of their life and personality while passing over others – determine their campaigns.

1.5 Fundamentals and Campaigns

These, then, are the two major elements of an election: the fundamentals and the campaigns. Consider an election as an historical moment, a snapshot in time: a confluence of different elements makes up the particular situation that candidates find themselves within. The economy may be booming or limping; the nation may be at war or enjoying a long period of peace; tensions between different demographic groups may be high or virtually non-existent. The candidate may hold an unpopular view on a particular area of domestic policy; they may be of a particular race or religion; they may have served in the military or have a particularly

long (or short) career in politics. All these elements may conceivably matter to the prospects of a candidate wishing to run for President, but how much weight they have varies from election to election. The fundamentals of an election may be seen as the issues that exist separate from the election itself, such as the state of the economy or the current political environment. Some (e.g. Fair 1978; Fair 1996; Hibbs 2000) see the fundamentals as the most important determinants of the outcome of a presidential election. In Hibbs' Bread and Peace model, the aggregate vote count for the President is determined by observable change in personal income level and the number of American military personnel lost as a result of American military intervention abroad. In Fair's model, which is regularly updated to include variable changes in economic performance, voters evaluate the candidates based solely on the performance of the incumbent party, without comparison with the performance of the opposing party the last time it held power. Furthermore, the model suggests that voters only evaluate in terms of the change of economic per capita growth over the past year (Fair 1996). These tend to represent the extreme view of the fundamentals-based approach to elections: A candidate may never talk their way out of the hole left them by poor economic performance; conversely, if the economy is good, there is little that will slow the pace of the incumbent party towards winning another term. The common factor for models based on fundamentals is that they tend to take the long view of an election contest: the factors that determine the outcome are already present (for the most part) before the candidates are even announced, and the election outcome inevitably follows some 60 or so days later. Voters are seen to act on their own self-interest, and thus the outcome may be predicted from how the fundamentals fit that self-interest.

The natural counterpoint at the other extreme would be traditional news media. Where fundamentals-based models assume that very little the candidates do or say once the fundamentals are set down will shift the vote one way or the other, traditional news media tend to focus almost to the point of exclusion on the temporal minutia of the election: the gaffes, the debates, the latest polls; where the candidates went, who they met with, and why. If one was to pick, at random, an American newspaper (or, certainly, most any national newspaper in the Western world) on any given day from the time of the national conventions up until Election night, it is almost certain that one would quickly find an article detailing some new poll or statement that is said to potentially change the race. This somewhat myopic view of the election tends to have some drawbacks. For instance, reporting based mostly on recent polling data has a tendency to over-represent the insignificant: of all represented information, some portion of it is signal – that is, meaningful – and the rest is noise. Polling is

not always accurate, and when every new poll is represented, so are the biases and methodological flaws hidden in the results. A cynic might suggest that news media tend to favor such detail-driven reporting because it is to their benefit – an election where the outcome was decided months ago of time is not a very newsworthy event, after all. A more benevolent view may be that the news is exactly that: new. The job of newspapers and evening shows is to report what is happening currently, and the polls of the night are a snapshot of the present day, as the polls of tomorrow night will be a snapshot of tomorrow.

Others, still, fall somewhere in the middle: It seems reasonable to assume that no candidate is so politically gifted that they can afford to ignore the state of the nation, and it also seems reasonable to assume that politics is more than meaningless puppetry, and that the election calls for more than the candidates simply stating to which party they belong and allowing the voters to draw their own inferences. Some combine the best of both worlds, as it were, creating models that reflect the long-term effects of the fundamentals while allowing for campaign events that prove to outlast the news cycle. Erikson and Wliezen, for instance, identify the fundamentals "not by their content but by their persistence" (5). Moreover, they distinguish between the external and internal fundamentals. Internal fundamentals become salient to voters because of the voters themselves: personal characteristics, such as group membership, partisanship, or ideology may influence their support for a candidate. External fundamentals are those that are inherent to the election itself: the economy, the candidates, party incumbency, the current president's approval ratings and so forth (Erikson and Wliezen 6-7). They find that the period during which most voters cleave to either side of the party divide is during the late summer, in the period leading up to and surrounding the major party conventions, generally falling within the last 120 to 90 days before the election. They ascribe this effect to the educational potential of the convention, and posit that the knowledge voters gain from conventions trigger their latent internal fundamentals – voting record, party identification, demographics – which guide them to the party that falls most in line with their preferences. They do note that this summer boost did not hold for the convention season of 2008, and suggest that the long campaign between Senators Barack Obama and Hillary Clinton may have already hardened preferences ahead of the summer period (31). Ultimately, they argue, the fundamentals matter to the extent that they are made evident to the voting public through campaigns, being "neither crucial nor irrelevant" to the eventual outcome. However, they also note that 2008 was one of three anomalous years (the other two being 1980 and 1992) where the electorate perceived the economy to be performing poorly, yet favored the incumbent party in mid-April and later changed their preference: "The campaigns

in these years somehow brought home the economy to the voters." (Erikson and Wliezen 118).

How, then, may the campaigns succeed in bringing the economy home to roost? In Lynn Vavreck's campaign typology, the campaigns' issue choices are constrained by the economic conditions of the election year. The campaigns are constrained by the economy in one of two ways: Either the campaign is clarifying, or it is insurgent.³ Clarifying campaigns ought to focus on the economy, and apply to the party that has the advantage on the current economy (the incumbent party during prosperity, the out party in adverse economic circumstances). The insurgent campaign is the party that is disadvantaged by the economy and ought to campaign on other issues, such as the personal qualities of the candidate, domestic politics, or foreign policy. This does not mean that every incumbent party campaign in an economically adverse election chooses an insurgent strategy, or that the party with the advantage of the economy must necessarily choose a clarifying strategy. The campaigns fall into either the clarifying or the insurgent category based on the state of the economy, rather than based on their choice of campaign strategy. Ideally, the election will have only one clarifying campaign, as the benefit/disadvantage is seen as a binary choice; the two parties, being ideologically different, may not both benefit. However, in the case of a mixed economy, where the relative growth or decline is slight enough that the economy is essentially stagnant, both campaigns may decide to pursue the same strategy (Vavreck 34-35). However, this was decidedly not the case in 2008. As will be discussed, there were significant markers of economic decline well over a year before Election Night, and as such, Vavreck's model predicts that Obama's would be the clarifying campaign, whereas McCain would go the insurgent route. However, merely predicting which candidate would choose which campaign strategy does not elucidate whether the campaign typology actually affects the outcome. In all but four of the presidential elections from 1952 to 2008, the clarifying candidate won, but that could arguably be merely because they were favored by the economic conditions and pointed this out, thus prodding the electorate to evaluate the candidates on this basis. Vavreck, however, finds that "candidates and campaigns matter despite – or alongside – the importance of the nation's economy" (158) in two important ways.⁴ First, accurate

³ Vavreck notes that the use of the term "insurgent" is somewhat unorthodox. In this theory, the insurgent label is meant to imply that the candidate rebels against the "structural conditions that predetermine the contest in which he or she is about to compete" (32) rather than as a rebellion against the party leadership.

⁴ It bears mentioning that Vavreck's research is far more statistically sophisticated than the research done for this thesis, due in part to time and resource constraints. However, there should be no reason why the effects demonstrated by Vavreck do not also hold during the 2008 campaign.

candidate behavior in campaigns far improves the accuracy of economy-based forecasting models:

Put more clearly, knowing whether a candidate leverages the nation's economic conditions or refocuses the election onto some other issue explains two-thirds of the random noise in basic forecasting models. It turns out the noise is not random at all — it captures the behavior of candidates in campaigns and the messages they send, which political scientists rarely measure. (Vavreck 109)

Secondly, accurately choosing themes in accordance with the proper campaign typology affects how the voters perceive the campaign, as well as how they relate campaign information to the current state of the economy:

Clarifying candidates who talk about the economy more than anything else and more than their opponents reduce voters' levels of uncertainty about economic issues like jobs and unemployment by substantial amounts. These effects are amplified for people who report paying a lot of attention to campaign news in general.

...

Insurgent candidates can prime issues over the course of the campaign if they choose issues on which they have a solid advantage (they are closer to most voters, and their opponent is constrained to an unpopular position). Voters increasingly think these issues are important problems in the country and these assessments affect vote choice in important ways. All of this is particularly true for voters with low levels of political information or sophistication, and for self-identified independents. (Vavreck 155)

One may conclude, then, that the choice of issues for candidate's campaign matter. Campaign themes are not merely a drop in the bucket of the fundamentals, destined to only make a very small splash and then disappear. When a campaign chooses the right theme and the right strategy, they may expect to see very real effects. Those effects may not be enough to win an election in adverse times, but in terms of party politics, reducing the lead of the opponent may also be desirable: In a free and fair election, the winner does not only gain the right to hold office, they are also seen as having been given a mandate by the electorate. If a party does not win office, they may at least hope to make it a close race. Choosing to vote for one party and candidate over another is, in essence, to entrust that candidate or party to rule in their stead, according to the voter's preferences: the mandate is the fountainhead of the winning party's clout.⁵ The winner may point to their policy proposals and call for them to be

⁵The idea of a mandate is especially powerful in a two-party system such as the in United States, wherein the winner is usually the majority candidate (though, as in 2000, not always). In a multi-party system, the winner may be a coalition of parties rather than a single majority party, and the mandate is then subject to negotiation between coalition member parties. Of course, in a two-party system, some will inevitably cast their vote not in

enacted, not because it is the candidate's will, but because it is the will of the people. Moreover, the fundamentals do not deliver the specifics of the candidate's political approach – the campaigns do. Therefore, it is worth looking not only at what the candidates choose to talk about, but how they choose to talk about it.

Jonathan Haidt's Moral Foundations theory may provide some help in this regard. Haidt posits that subconscious moral evaluations underlie conscious decision-making. A central argument to Haidt's Moral Foundations theory is that *intuition* and *reasoning* work together as part of the human cognitive process, the way the human brain processes information. According to Haidt, when put in a situation that triggers our moral intuition, it gives us instant feedback, while moral rationality subsequently provides us with logical reasoning for our preferences, if it is able to (Haidt 42, 65-71). Haidt identifies six foundations of moral intuition, and shows that though all six foundations are available to individuals, their tendency to value some more strongly over others predicts their political standing, and that these differences in moral intuition help explain the so-called culture wars to a great extent. The six foundations are Care/harm, Fairness/cheating, Liberty/oppression, Loyalty/betrayal, Authority/subversion⁶, and Sanctity/degradation (Haidt 131-152, 170)⁷. The foundations are triggers, setting off a feeling of positive or negative sentiment, depending on how they are activated. Though the triggers of the foundations are generally apparent from the titles, some aspects should be noted.

First, though all six bases are present in all people, their inherent moral value may express itself differently along the political spectrum. In other words, the same moral value may take on different expressions in practice. For instance, Fairness⁸ tends to revolve around proportionality among both political liberals and conservatives, but for liberals, proportionality matters only so far as it does not violate the Care or Liberty foundations. Consider, in the instance of tax policy, the concept of redistribution of wealth. For a liberal, there is probably nothing wrong with taxing the wealthy – they will, after all, still be left with

support of a candidate, but in opposition to the other. However, one may still see this as a mandate granted in accordance with preferences, with the distinction that this mandate is not necessarily in confluence with the voter's true, ideal preference, but more akin to the idea of the lesser of two evils.

⁶ Authority, in this case, is more about acknowledging, accepting, and respecting social hierarchies, rather than simply an expression of one entity's power over another. Authority in human society "is not just raw power backed by force. Human authorities take on responsibility for maintaining order and justice." (143)

⁷ See also Haidt and Graham 2007, as well as Graham, Haidt and Nosek 2009

⁸ For ease of reference as well as ease of reading, the foundations will mostly be referred to by their first clause, i.e. Fairness instead of Fairness/Cheating.

more than the average American – to fund schools or the Supplemental Nutrition Assistance Program. After all, it is unfair that those who are already poor or working class should be additionally disadvantaged by poor living standards or lack of access to education. In a conservative moral matrix, however, it is unfair to take more from those who have worked harder (presumptively) to gather that wealth, and social policies easily become government handouts, coerced by the government from those who have earned it and given freely to those who are unwilling (or perhaps unmotivated, as the government is there to bail them out, as it were) to work harder to pull themselves out of a bad situation.⁹ Liberty may also take on different meanings on opposite sides of the spectrum. This might sound odd, especially in an American context, where liberty and freedom from oppression is enshrined in the very founding documents of the nation (though, originally only for those lucky enough to be born male and white.) However, as Haidt points out, liberals weigh Care comparatively much heavier, and are spurred to see liberty and oppression in terms of "underdogs, victims, and powerless groups..."(175)

[The Liberty/oppression foundation] leads liberals (but not others) to sacralize equality, which is then pursued by fighting for civil rights and human rights. Liberals sometimes go beyond equality of *rights* to pursue equality of *outcomes*, which cannot be obtained in a capitalist system. This may be why the left usually favors higher taxes on the rich, high levels of services provided to the poor, and sometimes a guaranteed minimum income for everyone. (175)

Conservatives, on the other hand, rely more heavily on Loyalty towards their own group:

For them, the Liberty/oppression foundation and the hatred of tyranny supports many of the tenets of economic conservatism: don't tread on me (with your liberal nanny state and its high taxes), don't tread on my business (with your oppressive regulations), and don't tread on my nation (with your United Nations and your sovereignty-reducing international treaties). American conservatives, therefore, sacralize the word *liberty*, not the word *equality*. (175-176)

Furthermore, because they are less likely to use all six moral foundations, those on the political left may sometimes find themselves baffled when their political counterparts evaluate morality in terms of loyalty, sanctity and authority. Why get so upset about burning a flag? It is only a piece of cloth with an *at best* symbolic meaning; it does not actually hurt anyone, right? However, if one's moral intuitions include considerations of respect for

⁹ In *The Righteous Mind*, Haidt uses the example of the Occupy Wall Street and Tea Party movements as examples of fairness in a liberal and conservative matrix, pointing out that OWS movement tended to excoriate the wealthy elite for earning their millions by exploiting the less well-to-do, whereas Tea Party activists carried signs that read "Spread my work ethic, not my wealth" (137-138)

authority and loyalty to one's in-group (in this case, by nationality), it is easier to see why someone would find it morally provocative.

Finally, the fact that conservatives have a wider basis for moral intuition does not mean they are more moral (it is easy to imagine a liberal making the contrary argument), but rather that aspects such as harm or fairness must sometimes take a backseat to other moral concerns. Someone who is opposed to abortion may well concede that asking a 16 year old girl, who desperately does not want a child, to carry that child to term may cause her harm: she may have to drop out of school, or anguish over having to give the child up for adoption. They might even concede that it is unfair. However, if they also believe that life begins at conception, the moral value of the sanctity of that life outweighs concern for harm or fairness to the mother. Likewise, someone who is opposed to abortion because life is a sacred gift may also be in favor of the death penalty: In this case, the punishment being proportional to the crime may weigh more heavily on the moral scales than the sanctity of the criminal's life. In other words, the weight of some moral foundations may forfeit others.

Haidt describes what he calls a "moral matrix" which is composed of the moral foundations, and through which lens we evaluate the world. According to Haidt's research, political liberals mainly tend to base their evaluation of morality on the first Harm/care and Liberty/oppression as well as Fairness/cheating, but less so. Conservatives, on the other hand, place weight on all six foundations, with extremely conservative respondents tending to value Liberty, Loyalty, Authority and Sanctity most. As an example, consider the topic of marriage rights for gay couples. The liberal argument for equal marriage rights often cites the fact that no one will get hurt if two people who love one another are allowed to marry, and that the right to enjoy a spousal relationship with your loved one should not be contingent upon one partner being a man and the other being a woman. As long as no one is getting hurt, what's the harm? Should free, consenting people not have the opportunity to spend their lives together (and their tax breaks), regardless of their sexuality? In fact, is it not more harmful when gay couples are denied the same health care benefits as heterosexual couples, or denied the right to make medical decisions on behalf of their loved one because they are of the same sex? When considered in the context of moral foundations, it is clear that these arguments trigger the Care, Liberty, and Fairness foundations. It is immoral to deny same-sex couples the rights that are granted heterosexual couples: they are not harming anyone, they should be allowed to live their lives the same as everyone else, and they ought to enjoy the same societal benefits – such as tax deductions, next-of-kin status and health care benefits – as heterosexual couples.

The conservative moral counterarguments weigh just as heavily on the moral foundations. Consider some arguments taken from the National Organization for Marriage. From their "Marriage Talking Points", "Gays and lesbians have a right to live how they choose; they don't have the right to redefine marriage for the rest of us." Under the heading of "The Threat to Marriage", one may read that "swiftly and soon, more than a third of Americans will be living under legal same-sex marriage regimes." Others may cite, more explicitly, that same-sex marriage is an affront to God, that homosexuality is a sin, or that marriage is a traditional institution between a man and a woman. The argument about redefining marriage may properly be seen as relying on Fairness and Liberty: The beliefs of a select group should not be enforced on the whole of society, as it is both oppressive and disproportionate (moreover, the use of the word regime is also highly likely to trigger the Liberty moral foundation). It is morally wrong to impose the views of a few select individuals on the whole of society, especially when they are already allowed to live how they choose. For some, it is morally wrong to allow same-sex marriage because it goes against tradition and violates the law of God (and thus, Authority) and it is a sin (and thus opposed to Sanctity). Seen in light of the Moral Foundations theory, there is a reason why liberals and conservatives often seem to be talking past one another when discussing divisive issues: Liberals neglect to relate their argument to the moral foundations valued by conservatives, and may consequently present arguments that ring hollow: If one is concerned about the preservation of tradition and community, appeals based solely on the rights of the individual may provide more questions than answers. Conversely, conservatives appeal to moral foundations that liberals either do not recognize, or do not consider a part of morality. When liberals and conservatives appeal to others based on their own moral matrix, they run into the boundaries of moral intuition: what seems right and just to one side often misses the point entirely to those on the other side.

The election campaign is an appeal to voters. According to Vavreck, the tone and theme of the campaign matters: even when the fundamentals are not in their favor, candidates may alter the race by picking the right strategy and theme. And how they talk about their chosen theme also matters. Campaigns wish to garner the support of as many voters as possible, and should therefore take care to talk about their policy proposals and theme in a way that appeals beyond their own moral base. This is all well and good in theory, but how is it practiced? Elections do not occur in a vacuum. They are influenced by the aforementioned fundamentals, but there is also a second factor to consider: the societal context. With every technological leap forward – the telephone, radio, television – new demands are made of a

campaign that wishes to succeed. The next chapter will examine the state of the news media in 2008, and discuss the arguably most prominent campaign tool of all: the political advertisement.

Chapter Two: Selling Democracy

2.1 Media and Democracy

Politics seem irrevocably tied to the media, and to the news media in particular. It does not seem likely that the average voter is completely uninformed about the election and the candidates, given that the easier option for someone with no investment in an election is to abstain from voting altogether. If one reasons that a voter's decision to participate is motivated at least in part by information, then it is worth considering where that information comes from. The answer to that is becoming increasingly clear: the media, particularly the television media, and at a growing (though not yet dominant) rate, the Internet.

There is no denying that the birth and subsequent evolution of mass media has profoundly affected the political realm in the United States. Newspapers colonized the Frontier along with the settlers, as new newspapers appeared in new towns. Newspapers catered efficiently to specialized needs: local newspapers could respond quickly and efficiently to local matters, or provided a source of information and a touch of their native tongue to immigrant communities. Some, such as California-based Danish language newspaper *Bien*, established in 1882, still exist today. However, with the rise of radio and television, the print media gradually waned from its position as pre-eminent news source for the (literate) majority of Americans. What is now called *mass media* is commonly understood as media that broadcasts to an ever-expanding public, using a singular broadcast source (for instance a TV channel, newspaper, or radio station) to reach a vast audience in separate locations at once. However, as Joseph S. Tuman points out, "...mass media as a term is less of an end unto itself and more of a conduit, or series of conduits, through which the information about culture, shared and/or shaped, may be transmitted and received" (192). In other words, mass media communicate not only concrete cultural artifacts such as movies, songs or news items, they also transmit the more effervescent facets of culture: fashion, morals, ideals, values, cultural commentary and more. Tuman uses four dichotomies to refine and clarify the different roles of media: entertainment media/news media, broadcast media/print media, old media/new media, and paid/free media (193-203). Conceptualizing media along these lines helps clarify what the consuming public expect when they choose to partake of a media category, either explicitly or implicitly. For instance, few people would expect to be enlightened on some news item or political proposition by tuning in to the latest episode of

"American Idol" but they would likely expect so from watching the nightly news. Likewise, we have different expectations of an interview with a political candidate (free media) and an advertisement for the same political candidate (paid media).

The mass media outlets also serve core democratic functions. Shanto Iyengar and Jennifer A. McGrady provide the following summary:

First, they provide an electoral forum in which all candidates can solicit support from voters. In the United States, the forum is a combination of paid and free media appearances, but primarily the former... Second, the news media are expected to erect a "public sphere" where voters can sample from a variety of perspectives on the issues that concern them... Third, the press is expected to act as an agent of the public by policing the behavior of government officials. Citizens lack the resources to monitor the actions of their leaders on a daily basis; they delegate this "watchdog" task to the media. (Iyengar and McGrady 4)

Iyengar and McGrady argue that the American news sphere differs from the one in most other Western countries in that almost all news outlets are privately owned, and thus come under pressure for profits to secure and retain the largest possible share of the viewers. Thus, according to them, compared to the largely license-financed broadcast systems of other Western democracies, the American media is less shielded from market forces and therefore less able to provide "serious (rather than entertaining) news content" (20). This appears to be a truth with some modifications, especially when considering the 2008 election.

Though many of the news providers in the American media market are indeed privately owned, that does not mean that there are no alternatives. The Public Broadcasting Act of 1967 established the Corporation for Public Broadcasting, or CPB. The CPB is tasked with allocating federal funds to the two major public broadcast systems in the United States, the Public Broadcasting System (PBS) and National Public Radio (NPR) in order to insulate the actual broadcasters from the political world (Waldman 152). However, it is true that there are some fundamental differences between the public broadcast systems in the United States and other Western nations. As Waldman points out, the "public" in public broadcasting system refers to government funding in most other countries, whereas American public broadcasting gets the majority of its funds from non-governmental revenue sources: Federal funding through the CPB provided only 14 percent of public broadcasting revenue in 2008, while other government support (state and local, as well as colleges and grants) provided another 13.6 percent (Waldman 152-154). The government funding for public broadcasting in the United States is granted through appropriations, with each taxpayer contributing roughly \$1.35 in funding per year. In comparison, other nations tend to fund their public broadcasting

through licensing fees, at a much higher per-capita rate: \$24.88 in Canada; \$58.86 in Japan; \$80.36 in the United Kingdom, and \$101 in Denmark (Waldman 318). While one may certainly argue the conclusion that the American public broadcast model is somehow less serious and less civically minded than its European counterparts, it is true that the American funding model leaves the public broadcasters more susceptible to market changes. In particular, many public broadcast stations faced drastic cuts in their budgets as a result of the economic recession, as so much of the funding comes from private donations and corporate underwriting (Waldman 154).

Iyengar and McGrady suggest that the current American media system is one wherein party politics have been replaced by media politics: the path to success is no longer laid behind the scenes by party elites, but is in much larger part decided by the candidates' ability to navigate the media landscape. They suggest that this shift from backroom deals to newsroom candidacies happened in the aftermath of the tumultuous 1968 Democratic nomination. The Democratic Party decided to change the way it nominated presidential candidates: Instead of relying on the clout of local and state political organizations and the party elites, delegates to the national convention would now be chosen by state primaries. This left the news media in a prime position to fill the void left by the weakened influence of the party organizations (Iyengar and McGrady 21-22; Polsby 1983). As both major parties started moving towards candidate selection through primaries and caucuses, politicians hoping to gain the nomination now found themselves having to appeal directly to the voting public, rather than negotiate the power structures of the political parties and gain the support of party insiders and elites. Iyengar and McGrady, following Polsby's argument, support the view that the nomination reforms following the 1968 Democratic nomination debacle "fundamentally altered the incentives of presidential hopefuls in such a way as to diminish the role of party organizations and increase the importance of the media" (21). According to Paul Allen Beck:

The parties have devised strategies to retain some influence in the [presidential nomination] process – Democrats by selecting super delegates, Republicans by continuing some of the old rules – but the truth is that their efforts have borne little fruit. It is now difficult for the party organizations to exert much influence over the presidential nominations. (quoted in Cohen et al., 4)

Others, such as Steger and Cohen et al., have challenged this view. Steger finds that endorsements by party elites strongly predicts which candidate is eventually selected: the "collective behaviors" of party elites matters, as party elites send signals to their partisan

electorates through endorsements, particularly during pre-primary season, the so-called invisible primary (Steger 2007, 98). Cohen et al. further this claim, suggesting that "party insiders use the invisible primary to coordinate behind a preferred candidate and to endow that candidate with the resources and prestige necessary to prevail in the state-by-state contests" (9). In other words, party elites buoy the chances of their preferred candidates, by increasing their media exposure, name recognition and fundraising odds. While one may subscribe to the idea of the resurgent party, as proposed by Steger and Cohen et al., or Iyengar and McGrady's concept of media politics, it is clear that the media play a significant role in the political process. After all, only a very small minority of the population has a chance to meet and converse with the candidates in a national election. If they want information, they will likely get it from the media.

The mass media may be seen as one side of a triangle consisting of the media, the voting public, and the political party or candidate. Increasingly, the political candidate relies on the media to reach voters, either through purchased advertising space or airtime, or through news coverage or political debates. The media, on their side, rely on the candidates for revenue, both from advertisements and from news value; access to a candidate becomes increasingly important to news companies in order to stay relevant as the campaign progresses. The candidates rely on the voter to attain office, and the media rely on the voter to obtain or retain market shares. And last, but far from least, the voters rely on the candidate for whom they vote to run the country to what the voters feel is their best interest, and they rely on the media to help them figure out which candidate that is. Joseph Tuman utilizes a model that regards the interaction between candidate, voter and media as a *discursive* process; an elliptical loop of chain kept in perpetual motion by three sprockets: the voter, the candidate's political campaign and the central sprocket being the media (9). At either end of the ellipse is the voter and the campaign; the media sprocket elicits speeches, ads, debates and news events from the campaign and transmits these to the voter, and then prompts consent or dissent, awareness or ignorance, apathy or action from the voting public and transmits this back to the campaign. According to Tuman, it is "the *discursive process by which political information is shared and promotes awareness, ignorance, manipulation, consent, dissent, action or passivity*" (8-9).

2.2 Old News, New News

Though the main subject of this thesis will be televised advertising, it would be remiss not to briefly discuss the changes that transform our news reality, especially with regard to the Internet, as our daily life becomes increasingly infused with technology and information. As more and more people choose to pay for access to high-speed internet, or buy smartphones that are in effect palm-sized fully functional computers, the way we interact with the media that surrounds us and the news that inform our society is changing. Certainly, the booming growth of the Internet allows for an increase in the information available to the public; however, according to a report published by the Federal Communications Commission, the primary beneficiary of this information glut is *hyperlocal information*, i.e. information that primarily concerns itself with a single neighborhood or city block (Waldman 16). Moreover, the report notes that the media outlets of today are increasingly displaying a different quality – that of spreading and interpreting the news – at the cost of the most prominent function of the news media outlets of the past, namely information gathering. In other words, the media outlets most people are now familiar with are more focused on referring to and interpreting other news stories, rather than gathering and creating their own, than the news media of the preceding decades (Waldman 16). A third factor that further complicates the new information reality for voters is that while the increased availability of media has lead to a higher media consumption among the public, the number of people who report that they go *newsless* – which means that they reported not taking in a single news item the day before they were surveyed – rose from 13% to 17% in the span of a decade. Nearly a third of those who went newsless were 18-24 years old (Waldman 225-226).

By 2008, the percentage of the public that reported getting their news of television had declined to 60%, with the number of people getting their news from radio and print newspapers also on a downward curve. The number of people getting their news from online sources, however, was on a rise: close to 40% of the public as a whole said they had found their news online in the previous day, while among 18-29 year olds, the numbers for TV and online news were equally large, with 60% of respondents citing either source¹⁰. These numbers continue to climb, and in 2010, online news surpassed the traditional printed newspapers as a reported news source (Waldman 117). While the Internet's arguably greatest

¹⁰ Waldman notes that the figures add up to more than 100%, as respondents were allowed to volunteer up to two sources.

asset is the openness and richness of its resources, providing a seemingly bottomless and growing pool of information about most anything under the sun, this presents some rather serious inherent challenges as well. On the one hand, as it has no overall editors and no inherent political or ideological affiliation as a whole, the Internet can provide a microphone (or soapbox) to anyone who is technologically literate enough to access the web. At the cost of a personal computer and an Internet connection, or even just a visit to the local library, a surfeit of information lays ready at one's fingertips. On the other hand, information may not be presented neutrally, or is even truthfully, and being able to tell the difference requires a good deal of sophistication. Some information may be presented as a neutral and unbiased source, and prove to be anything but. The inherently uncensored and anarchic structure of the Internet demands that its users understand that very little of the information they may have access to has been subject to any manner of quality control. Thus, this wealth of information is not an undivided positive; rather, it presents some inherent challenges to those who wish to make use of it.

Moreover, despite the Internet becoming an increasingly important source of news and information for more and more people, it still has a long way to go before eclipsing the more traditional media as a news source. For one thing, most of the Internet-based news services are owned by or affiliated with major traditional media news outlets (Waldman 233-235). Even if a person is more likely to turn to the Internet for his or her news needs, chances are that they will still receive more or less the same news they would have found had they opened a newspaper or turned on their TV. And secondly, though the Internet can provide a virtual rumpus room for likeminded individuals, one could well argue that with the advent of 24/7 television channels with a political twist, such as Fox News and its liberal counterpart MSNBC, television news programs have become as much of an echo chamber as the Internet ever was. A study by the Pew Research Center's Project for Excellence in Journalism found that during the 2008 election, there was a distinct ideological in the campaign coverage of the major cable news channels. On Fox News, the stories presented John McCain noticeably more favorably and were far more negative of Barack Obama, whereas the opposite was true of MSNBC's newscasts, with CNN falling somewhere in the middle. The network news channels – ABC, CBS and NBC – showed no such ideological leanings (Project for Excellence in Journalism, "The Color of News").

It is indisputable that for most people, interaction with some form of media is a considerable part of their daily lives. Whether they look to the media for news or entertainment, they are likely to be exposed to political advertising during an election cycle

as a consequence. What role does political advertisements serve? Some researchers have claimed that they poison the political well by turning the electorate against both the candidates and the political system, while others have refuted their claims and suggested that advertisements serve to engage, inform and motivate the electorate toward political participation.

2.3 Ads and their Malcontents

When discussing political advertising on television, many recall the truly iconic ads: The Daisy ad by President Lyndon B. Johnson in 1964; Ronald Reagan's "Morning in America" ad from the 1984 campaign; George H. W. Bush's "Weekend Passes", also known as the Willie Horton ad of 1988; Bill Clinton's "Journey", based on the biographical movie "The Man from Hope" which was aired at the 1992 Democratic Convention; "Windsurfing", the ad the Bush campaign released in 2004 which helped brand John Kerry a flip-flopper in the public discourse. Though these ads concern a variety of issues and candidates, they all seek the same goal: eliciting an emotional reaction in the viewer. Whether that reaction is fear, hope, contempt, or admiration, persuasion and emotion go hand in hand, and persuasion is one of the tasks of a good campaign.

In the bid for the 1952 Presidential election, the Republican Party hired three advertising companies to handle their media strategy, for three distinct markets. The Republican campaign combined research (studies showed that political speeches were too dense and lengthy for the average voter to comprehend and recall much of the overall message, whereas the brief and pointed advertisement yielded excellent message retention) and media savvy (pre-empting popular TV broadcasts with high-cost, but short ads in key media markets, instead of purchasing cheaper, but lengthier airtime slots for political speeches, as the Democratic campaign did) to shape a campaign unlike any before it. As Stephen Wood summarizes,

A planned advertising campaign, conceived as a response to Harry Truman's slogan "You Never Had it So Good!", financed by Citizens for Eisenhower, produced by Madison Avenue ad-men, and diffused to key television markets – a first in American political television – was complete. (275)

They were not without detractors, however: the Campaign Director for Volunteers for Stevenson accused the Republicans of marketing a presidential candidate "precisely the way they sell soap, ammoniated toothpaste, hair tonic or bubble gum" (Wood 272). The Democrats charged that the Eisenhower camp was swamping the airwaves with "G.O.P.

propaganda" designed to crowd out Stevenson in the final days before Election Night (Wood 273), and even brought a complaint to the F.C.C. that the Eisenhower ad assault violated the Equal Time Provision of the Communication Act of 1934. The complaint was turned down by the F.C.C. and the Democrats abandoned their attempt to stop the ads (Wood 272-273).

The Democratic complaints, however, may sound familiar even to modern ears. The use of television advertising, particularly the negative or *attack* ads, has been roundly condemned by politicians and academics alike, to say nothing of the electorate in general. Political advertisements are generally divided into three categories: *positive*, *contrastive* and *negative*. *Positive ads*, also known as *affirmative ads*, are made to reflect well on the candidate it describes, and typically involve lauding their achievements if the candidate is an incumbent, or emphasizing the candidate's background, accomplishments or other personal qualities that make them a cut above the rest of the field. *Contrastive ads*, as the name implies, are set up to highlight the difference between candidates. Contrastive ads can be positive or negative, and often they are a blend of the two: the first half may condemn the supposedly deleterious consequences of electing one candidate, before extolling the virtues of the alternative in the second half. *Negative ads*, often called *attack ads*, are often seen as the bullies of the bunch: their main objective is to make the candidate in question look an ill fit for the position, at best. Though negative advertising in a political campaign is nothing new, it has never been quite as prevalent, nor arguably as powerful, as today. The 2008 cycle was both the most expensive and the most negative to date presidential campaign to date ("Political Advertising in 2008" 4-5).

Shanto Iyengar and Jennifer McGrady call attack ads "the hallmark of political advertising" (137) while Joseph Tuman refers to them as "rhetorical weapons of mass destruction" (235). Others argue, as John G. Geer does in *In Defense of Negativity: Attack Ads in Presidential Campaigns*, that attack ads are no more manipulative than positive ads, but rather a natural and necessary part of the contest for the highest office in the nation: political advertising is propaganda, and propaganda will always exaggerate, hyperbolize, and distort. The propaganda label fits positive advertising just as well as it fits attack ads, as when George Dukakis took credit for balancing the budget in Massachusetts without mentioning that a balanced budget is a requirement according to the state's constitution (*In Defense of Negativity* 5-6) As Geer writes:

No candidate can be expected to be a neutral observer, judiciously weighing the key points of contention. They are highly motivated partisans seeking control of the government, making their best case for holding that office. (*In Defense of Negativity* 5)

Yet, critics tend to focus primarily on the negative advertisement and largely ignore the positive ads, or regard them as less problematic. In his book, Geer contends that negativity is a vital part of a healthy democracy: it challenges candidates and their policies and subjects them to the scrutiny of the voters, of pundits and of the news media. Ultimately, Geer argues, the tone of the advertisement should not matter; the real matter of concern is whether or not the ad in question misleads the voter (*In Defense of Negativity* 3) Ads are about relaying information to the voter, either about yourself or your opponent, and the quality of that information is what distinguishes the benign from the detrimental.

The claim that negative advertising is detrimental to a politically engaged public, and thereby a healthy democracy, followed a development in advertising campaigns (and particularly television ads) of the late 1980s wherein political advertising was becoming increasingly negative (Tuman 34). In the 1960s, the dawn of the television age, negative advertisements constituted around a tenth of all ads. By 1990, roughly 40% of all political ads were negative in tone; by the 2008 election, that number had grown to over 60% (Geer, "Fanning the Flames" 4). Geer sees the rise of attack ads in the last 25 years as a consequence not only of the increasing polarization of the two major parties, but also as a consequence of the changing news media ("Fanning the Flames" 4-5). Political consultants not only believe that negative ads work better than positive ads, they also know that the news media will pay more attention to a negative ad than a positive one, creating further incentive to go on the attack. As Geer points out, the fact that politicians want to educate children or create a better America for the future is nothing newsworthy – it would be more newsworthy if they admitted they did not want that ("Fanning the Flames" 5) Airing a negative ad with a controversial accusation is much more likely to get the attention of the media, resulting in a news segment which not only gets the message out there, but may even reach voters who did not see the ad. A negative spot ad in a single competitive district may get broadcast nationally on the news that same evening, for free. The example used by Geer is that of the now-infamous "Swift Boat" ads against John Kerry in 2004: Aired in only three states, they reached an estimated total of 1 million viewers, not even 1% of the voting-age population. However, the prominent news coverage following the ads assured that the entire nation knew about them and turned the term Swift Boat into a staple of the national political vocabulary (Geer, "Fanning the Flames" 5-6). It is clear that negative advertisements have a potential benefit to the campaign running them – visibility and newsworthiness, and thereby perhaps even massive, free publicity – but the benefits to voters is less clear. According to Geer,

political advertising on the presidential level (particularly negative political advertising) is no longer so much about directly affecting voters, but is more about shaping and controlling the news media's coverage ("Fanning the Flames" 15-16). However, if attack ads attempt to alter the direction of the political discourse by making headline-grabbing statements, then to what purpose? The end benefit to a serious candidate would be to enhance their chances at getting elected, as the news media do not vote, citizens do. Whether attack ads that receive media attention affect voters seems less a matter of *if* than of *how*.

In 1994, Ansolabehere et al. found that when viewers were exposed to an attack ad, they were less likely to indicate an intention to vote in an upcoming election compared to those who saw the positive version of the ad. They then compared the experimental results with actual turnout in the 1992 Senate elections, and found that turnout was 4% lower where the candidate's campaigns had been relatively negative (Ansolabehere et al. 833). In their 1995 book *Going Negative: How Political Advertisements Shrink and Polarize the Electorate*, Ansolabehere and Iyengar claim that political advertising in itself increased polarization among voters, and that negative advertising reduced the number of likely voters, especially among independent voters (Ansolabehere and Iyengar 10-12). Their findings were widely publicized, and much of the research on political advertising and voter motivation since has answered back to the conclusions drawn by Ansolabehere and Iyengar in one way or another. Wattenberg and Brians, for instance, found no conclusive support for *Going Negative* in the data gathered from the National Election Survey and Federal Election Commission. They point out that this does not invalidate the experimental research, but calls into question the validity of the findings outside of the experimental setting (Wattenberg and Brians 896-897).

Ansolabehere and Iyengar proposed the following reasoning to explain why negative advertisement supposedly demobilizes the electorate: When they are exposed to negative advertisement, the content of the ads not only maligns the candidate in question, but in fact the entire political process. Countless nasty accusations serve to delegitimize both candidates, not only the one being targeted, and decrease people's feeling of *political efficacy*: in effect, negative advertising makes voting feel less useful or worthwhile (Ansolabehere et al. 835). However, people do vote: Something must be motivating them to do so. Freedman et al. found that exposure to political ads for presidential candidates increased the rate at which people were able to correctly identify the candidate's political positions on a left-right political spectrum, whereas House ads did not increase the voters' knowledge on issues (Freedman et al. 730-731). They further found that when individuals were asked to name

things they liked or disliked about a candidate (up to five items on each of the like and dislike questions), those who were exposed to more advertisements offered more responses, with the increase being slightly more pronounced on negative/dislike responses than positive/like.

Furthermore, they found that the benefits of exposure to ads – higher candidate recognition, more knowledge about issues – were more pronounced in low-information voters (Freedman et al. 730-734). In sum,

...there are good theoretical reasons to suspect that campaign ads – rich in information and laden with emotional content – have the potential to bring about a more attentive, more informed, and more participatory citizenry. Television advertisements can help increase the aggregate store of politically relevant information that voters have at their disposal, which in turn can help activate the heuristics that voters use in making decisions and making sense of the political world. (Freedman et al. 734)

As Robert A. Jackson, Jeffery J. Mondak and Robert Huckfeldt remark, much of the research following the publication of Ansolabehere and Iyengar's findings has focused on negative advertising's possible demobilizing impact on voters, while less attention has been paid to the claim that attack ads make the electorate feel less positive about the political system as a whole (55-56). Their study reveals no evidence to support the hypothesis that negative advertisement cause negative attitudes towards the political system as a whole. In fact, they found that neither exposure to attack ads, nor exposure to contrast ads that were primarily negative in tone, had any statistically significant effect on respondents' views on government (Jackson et al. 61).

Some caveats should be drawn from the research. For instance, they note that controlling for variables like age, gender, race, educational level, party identification or political interest all have a larger impact on political attitudes in the electorate than exposure to political advertising (Jackson et al., 57; Freedman et al., 734; Wattenberg and Brians, 893). Jackson et al. note that though their research did not turn up any evidence to support the claim that negative political advertising is damaging to the political system as a whole – either through demobilization or through decreasing feelings of trust in the political system and the politicians within it – it does not mean that no such adverse effects occur. The effect may simply be of such a nature that approaches so far have been insufficiently fine-tuned, or too perhaps narrow in scope, to pick up on it. Or, they suggest, perhaps voters are politically sophisticated enough to know not to throw the baby out with the bathwater. After all, politics happens not just during campaigns: it is a part of day-to-day life, and political advertising is not the only source of information on which voters rely (Jackson et al. 66-67).

Moreover, information is not always an objective, quantifiable entity. One may only look to the term *spin doctor* to know that most people are at least nominally aware that information from a political candidate often comes with some kind of slant; fewer may be aware that people sometimes serve as their own distorting filter on information. A study done by Jeffrey W. Koch emphasizes the fact that though citizens may report to *feel* more knowledgeable after being exposed to political ads, that does not necessarily mean that they actually are: citizens may end up using the presence of a political ad to support and strengthen their political beliefs, rather than to actually use the informational in the ad to control and correct the accuracy of their political beliefs and insights (Koch 610). His research shows that higher exposure to negative ads made voters more certain that they knew the ideological position of the candidate being targeted, whereas positive ads did not have the same effect. However, this confidence betrays them: "as issue attack ads increases, misperception of the candidate's position increases..." (Koch 616). Moreover, it turns out that while a higher level of political knowledge increases the objective accuracy of an individual's evaluation of where a candidate stands on the ideological spectrum, partisanship does not. While citizens report that they are more confident that they know where *their* candidate stands on the issues, this does not translate into an actual increase in the accuracy of their beliefs. According to Koch,

...an increase from the minimum to the maximum number of Republican negative issue ads broadcast increases the likelihood of perceiving a Democratic candidate who is a moderate as a liberal by 42 percent; a similar increase in the number of Democratic attack ads increases the likelihood of misperceiving a Republican who is a moderate as a conservative by 38 percent. (616)

Koch suggests that the disparity in effectiveness may be because Democratic candidates are seen as more closely connected with government, and that the negative ads may work in tandem with citizens' pre-existing skepticism towards the government for an additional effect (614). Though this research was based on political advertising for candidates for the House of Representatives, Koch still notes that the findings are likely to affect other electoral contests. He notes the "pernicious" role political ads may play in primary elections in particular: "Absent the partisan heuristic, citizens may find themselves far more likely to make false inferences when having to choose among candidates of the same political party" (Koch 619). Ultimately, though the research suggests that advertising serves a democratic function – such as to mobilize the electorate, or to inform and engage voters, or to serve as a kind of communal vetting by exposing the possible weak points of a candidacy to public

criticism – advertising is costly, and yet, no campaign can foster even the most remote hope of success without it.

2.4 Financing the Ad Cycle

No matter how one regards political advertising in general and attack ads in particular, the fact is that both are a large, and ever growing, part of elections: as candidates run ever increasing number of ads, the cost of the ads are swallowing up more and more of the campaign coffers. When political campaigns reach dizzying heights in terms of costs, two major concerns arise. The first is the cost of the campaign to the candidates themselves – when some candidates can dip into their own personal fortunes to bolster their efforts, they put those who are not quite so well off at a disadvantage, potentially turning a political candidacy into an affluent man's game. The second, and more insidious question: Where does the money come from? Certainly, some of the funding comes from the people, but when the Presidential candidates in 2008 raised over \$1 billion ("Banking on Becoming President"), it seems likely that not all of this money came from the grass roots. Rather, the business of fundraising is becoming an ever more important part of the job description for any politician. Whether or not money actually buys votes is up for debate. On the one hand, most politicians accept donations from both sides of any issue, so politicians and lobbyists themselves often make claims that the money, in effect, cancels itself out in terms of influence: As Barney Frank says in an interview, "If the voters have a position, the voters will kick money's rear end every time" (Take the Money...). On the other hand, it's unlikely that voters will have a position on every item on a politician's agenda. The people who do have a position are the ones who devote their days to understanding and affecting public policy: lobbyists and their clients, who are willing to pay to have their positions heard on even the smallest policy detail.

According to the Federal Election Committee, Barack Obama raised a total of \$778,642,962, of which almost \$665 million came from a total of 687,545 individual contributors ("Candidate Summary ... Barack Obama"). John McCain raised a total of \$399,826,088, of which just shy of \$206 million was given by 236,344 individual donors ("Candidate Summary ... John S. McCain"). Though Obama outspent John McCain in total advertisement spending, such figures are somewhat misleading, as they include both spending for the primaries as well as the general election. The Democratic primaries were competitive well into June, whereas John McCain clinched the Republican nomination by early March. Furthermore, Barack Obama opted out of the Presidential Election Campaign

Fund's (PECF) federal matching funds, whereas John McCain chose to opt in. Neither candidate participated in the primary matching funds program, though McCain's decision to opt out was subject to discussion, due to a loan contract that seemed to suggest participation in, and funds received from, the primary matching funds program would serve as collateral for the loan ("Letter to..."). Barack Obama became the first major party presidential nominee to opt out of the federal funding program for the general elections since Watergate, and was able to vastly outspend John McCain; part of the process to qualify for federal funding is to agree to only spend a limited amount, set at \$84.1 million in 2008 (Salant). Over the course of the general election campaign, Barack Obama outspent McCain three times over, and five times over in the period between September 1 and November 1 ("Advertising Money"). During the primaries, McCain accused Obama of going back on his commitment to receive public funding in the general campaign, and suggested he might have to reconsider his own commitment toward public funding ("McCain attacks Obama"). McCain eventually went forwards with support from the PECF, likely due in large part to his years' long dedication to campaign finance reform, culminating in 2002's Bipartisan Campaign Reform Act (BCRA), also known as McCain-Feingold, named for its Senate sponsors John McCain and Russell Feingold.

The public funding system has its roots in legislation passed by Congress in 1971, namely the Federal Election Campaign Act and the Revenue Act, which established the Presidential Fund and allowed tax payers to designate \$1 from their taxes to fund presidential elections. However, with the passing of Watergate, it became clear that this legislation was insufficient: Andrew Rudalevige writes that "the Federal Election Campaign Act (FECA) of 1971 was violated in every particular by the subsequent campaigns of 1972" (131). As a response to the revelations of the Nixon campaign's slush money excesses, Congress passed strict amendments in 1974, intended to reign in spending and enhance oversight of campaign funding and financial resources (Rudalevige 131-132). However, subsequent Supreme Court decisions such as *Buckley v. Valeo* in 1976 struck down limitations on expenditures for candidates (except Presidential candidates receiving public funding) as well as limitations on expenditures from candidates' personal funds, citing limitations on spending as a violation of the candidate's right to free speech ("FEC Litigation"; Rudalevige 161). According to Rudalevige, *Buckley v. Valeo* was crucial to the rise of the Political Action Committee, or PAC. Donations to a candidate was limited to \$1000, whereas PACs could accept donations up to \$5000 (which the PAC could then donate to the candidate) and faced no limits on their advertising expenditures, so long as they did not employ the terms *vote for* or *vote against*.

By 1979, the Federal Election Commission had approved legislation that donations to state political parties would be governed by state rules, and that state parties could support candidates in federal elections (Rudalevige 162-163).

Thus was born the "soft money" loophole. Money given to the state parties under state rules could now be spent in those states to promote presidential candidates, outside the federal "hard" caps on contributions. Until 1991 such "soft" donations did not even have to be disclosed. (Rudalevige 163)

The glut of soft money increased with time: in 1996, the Republican and Democratic parties spent a total of \$260 million in soft money, and by 2000, that number had reached \$495 million (Rudalevige 164) A large portion of this was spent on advertising.

In an attempt to curb the increasingly vast and convoluted financial contributions towards campaigns, Congress passed the Bipartisan Campaign Reform Act in 2002. The BCRA stated that political parties and candidates' campaign committees could only spend hard money raised from individuals and PACs, ruling out donations by corporations and labor organizations. Furthermore, it raised the contribution limits and ensured that the limits would be adjusted for inflation. Additionally, the legislation sought to create new restrictions on PAC expenditures, and created the umbrella term "electioneering communications" to denote expenses that could be paid for with funds donated by corporations or labor organizations (Hollihan 264-265; "Bipartisan Campaign Reform Act"). The law was challenged in the Supreme Court in 2003 on First Amendment grounds, but a 5-to-4 decision upheld most of the limitations on spending and donations. By 2007, however, the court had a new Chief Justice and a new member on the bench. In a new 5-to-4 decision, the Court left the soft money ban intact, but struck down limitations on ads funded by corporations and labor organizations (Greenhouse and Kirkpatrick).

In effect, this served to undermine the ban on soft money, central to the BCRA; however, money did not need to wait for the Supreme Court to find a way around the ban. In early 2004, liberal activists started funneling money into what became known as 527 organizations (named after a section in the Internal Revenue Code), which were allowed to engage in political acts "short of expressly advocating the election or defeat of a federal candidate" (Hollihan 258). Bush-Cheney, Inc. lodged two administrative complaints with the FEC in March 2004, but was not given an official ruling, which prompted conservatives to start utilizing their own set of 527s ("Federal Election Commission Record"; "Racicot/Gillespie"). The FEC did eventually penalize three of the major 527s, ordering them to pay penalties of \$630,000 – but not until December 2006 ("The 527 Page"). Shortly

thereafter, a different loophole in the federal tax code allowed 527s to reorganize as 501(c)(4)s. As Thomas A. Hollihan points out,

When soft money contributions could no longer be sent directly to candidates or parties, the use of 527 groups increased. Attempts to regulate 527 groups led to expanded use of 501(c)(4) groups... The 501 groups may pose even greater danger than have the 527s, for as long as the 501(c) groups can claim that "political campaign intervention" or "federal campaign activity" is not their primary purpose, their contributions and expenditures may remain largely undisclosed. (Hollihan 262)

The efforts to control campaign spending are rooted in the legitimate concern that money will distort the political process. If money should become the deciding factor in the outcome of an election, it might open the gates wide to potential corruption, as the access to funding would be a prime concern for candidates hoping to win office. Considering the vast sums of money spent on campaigns and advertisements, and the vast effort put in by candidates to gather these funds, it must be concluded that the candidates believe that it serves a purpose. If nothing else, at this point campaigns are likely a zero-sum game: should one candidate decide to forgo campaigning, he or she effectively ends their own candidacy by doing so, unless they can somehow persuade their opponent to abstain from campaigning as well.

2.5 How Ads Serve Candidates

As it turns out, ads serve candidates in more ways than simply encouraging voters to vote for them, or against the opposition. Advertisements provide a pulpit and a market stand, from which to sermonize to the true believers and proselytize to the undecided and independents. In his 2007 book *The Political Brain: The Role of Emotion in Deciding the Fate of the Nation*, Drew Westen argues that contrary to conventional wisdom, political advertising does not only buy access to the marketplace of ideas, but also to the marketplace of emotions. He argues that this is the more important aspect of political campaigns: Republicans have eagerly created emotional appeals – save the flag, protect life, keep marriage sacred – while Democrats for the most part seemed content to peddle facts and figures in the marketplace of ideas (Westen 36). This may look good on paper, but in practice it stirs neither the heart, nor the mind. Relying on reason alone, Westen argues, fundamentally misrepresents how the brain actually works. Numbers, statistics, and analyses only work when they are hung as ornaments on emotional hooks that rouse emotional responses, be they hope or dismay, fear or elation (87-88, 133-141). The role of emotion in politics is an important one, and is explored further below. For now, Westen's idea of a marketplace of emotion will serve as the

foundation for the various ways in which candidates may use advertising, beyond the obvious solicitation for votes.

Candidates may use ads for *agenda-setting*, through *framing* and *priming*. These are effects of how the media alter our perception of the world around us, which derive from the power given to relatively sparse news segments. Even in an age of 24-hour news broadcasts, most people dedicate roughly an hour or so of their daily life to watching the news. Data from the Federal Communications Commission indicate that in 2008, the average American consumed 11.8 hours of some form of media, of which 70 minutes was spent on taking in news: 57 minutes of traditional media, 13 minutes of searching for news online (Waldman 226). It follows that a news broadcast will return to the stories most likely to grab viewers' attention and keep them tuned in at different points during the day for a 24-hour news channel, and in each major news broadcast for local and traditional network news. Thus, most news broadcasters transmit the same top stories several times a day. If candidates can manage to affect the news coverage with their advertising, this allows them an opportunity to try to alter the electorate's perception of their candidacy or their opponent.

Agenda-setting refers to the power of the media to direct topics into public attention and discussion, and consequently to exclude other topics, as column space and broadcast slots are inevitably limited. Thomas A. Hollihan cites mass communication scholars Maxwell McCombs and Donald Shaw:

Both the selection of objects for attention and the selection of frames for thinking about those objects are powerful agenda-setting roles. Central to the news agenda and its daily set of objects – issues, personalities, events, etc. – are the perspectives that journalists and consequently members of the public employ to think about each object. The perspectives direct attention toward certain attributes and away from others. (quoted in Hollihan 116)

In other words, by selecting some news items for attention, the news media in effect obscure other news stories. This power can be compared to that of a spotlight in a darkened theater, illuminating and directing the audience's attention to some actors while leaving the others in comparative darkness. In addition, the way a news story is presented can alter how the facts of the story are perceived: context can affect content. This is typically referred to as *framing*, a concept that proves to be somewhat nebulous in practice.

According to James N. Druckman, there are two distinct concepts of framing: *Frames in communication* and *frames in thought*. Frames in communication focus on how a message is presented to an audience: The choice of "words, images, phrases and presentation styles" (Druckman 227) is deliberate, and may betray what the speaker thinks is the most important

aspect of the topic. Frames in thought focus on the recipient of the message, and how they understand what they are being told: it is not specifically a part of communication itself, but a subjective cognitive property. Both framing concepts often work in tandem, and the communicative frame a speaker chooses may alter the cognitive frame of the recipient, which is referred to as a *framing effect*. (Druckman 227-228) A speaker may, for instance, talk about an 8% unemployment rate, as opposed to a 92% employment rate. The two are logically equivalent, but they do not seem to communicate the same thing: the former is negative and the latter is positive. When framing a story, the presenter (be they politician or news dispatcher) puts the content of the story, the facts or figures, into a particular context. One can, for instance, frame the issue of abortion as women's right to control their own bodies and their future, or on the other hand, as killing an unborn life. Increasing taxes on the rich could be framed as every citizen putting in their fair share to society's collective pot, or as wealth redistribution that punishes the affluent for their material success and discourages and devalues hard work and sacrifice. Most news stories and political issues are complex and multi-faceted, and it is very hard indeed to discuss them without framing in one sense or another, especially when time is limited and brevity is of the essence. Framing not only provides a context within which to understand what is being told, but it also "...promotes a particular definition of a problem, offers an interpretation of likely causation, possibly suggests a moral evaluation, and perhaps recommends a certain policy to respond to the problem" (Hollihan 121).

Priming occurs when the news media choose to focus on some subjects over others, and affect the public by "planting the seed of an idea in their minds" (Hollihan 117-118). In an experiment on priming and presidential evaluations, Shanto Iyengar, Mark D. Peters and Donald R. Kinder show that evaluations of President Carter's overall performance, competence, and integrity fluctuate remarkably in correlation with the kind of news coverage respondents were shown. According to them, "Problems prominently positioned in television broadcasts loom large in evaluations of presidential performance" (Iyengar et al. 146). Following this experimental data, Jon A. Krosnick and Donald R. Kinder found that "citizens questioned after the [Iran-Contra] revelations held President Reagan to an altered set of standards, and these alterations can be directly traced to the changes in the media's agenda provoked by the Iran-Contra revelations" (Krosnick and Kinder 160). In sum, because the news media – on television, radio, in print or on the Internet – is the public's chief source of news items and issues relevant to an election, they have the power to shape the shared news reality of the public. They direct our attention to issues and breaking news, give us context in

which to understand the content of the stories, and influence the way we evaluate political candidates. The media do not necessarily suggest what citizens should think, but rather what they should think about. It is no big stretch to posit that advertisements, and their increasingly symbiotic relationship with the news media, may serve some of the same function. In particular, both Vavreck and Erikson and Wliezen see priming as the main tool by which candidates may alter how they are judged (Vavreck 16-18, Erikson and Wliezen 8-9).

Advertising is also an important part of a candidate's toolkit for building an image. As Thomas Hollihan points out, very few among the electorate are privileged enough to personally get to know a presidential candidate. Instead, we are reliant on the information they choose to divulge, and the image they create of themselves (Hollihan 76). In the campaign ad called "Journey" from the 1992 elections, Bill Clinton was the Man From Hope, who, upon graduation "...didn't care about making a lot of money, I just wanted to go home and see if I could make a difference" (Clinton-Gore). In the 2000 ad "Successful Leader", George W. Bush was called a "compassionate conservative leader" and a "fresh start for America" (Maverick Media, "Successful Leader"); In "Priorities", he avowed that only when his priorities had been funded ("preserving" social security and Medicare and to "strengthen" education and the military), his administration would "pass money back to the taxpayers" (Maverick Media, "Priorities"). Not only would Bush be the candidate to improve America, he would in effect refund taxpayers while doing so. The *image* candidates seek to create is just that: the construct they want us to see when looking at them. However, they may also be subject to an image created by their opponent; all the same, the image constructs work the same way, by creating a positive or negative media likeness of a political candidate to be dispersed among the electorate.

Lastly, advertisements help create a common policy shorthand: a set of shared cues that help to build opinions before and election, and upon which the electorate may judge the performance of an incumbent or a major party during their administration and towards the next election cycle. They are the perfect medium – provided they work as intended, which they do not always do – to create a brief summary of a candidate, whether with malicious or benevolent intent. Ads are short, snappy and to-the-point: they are made to invoke emotions and create reactions in the viewers. As it turns out, emotions can play a crucial part in politics.

2.6 Emotion and Voting

Political science has traditionally taken a decidedly rational approach to how citizens participate politically. When Anthony Downs published his touchstone article "An Economic Theory of Political Action in a Democracy" in 1957, the notion of *Homo politicus* as a rational creature became the accepted standard upon which to evaluate political behavior. Downs built his theory on a set of axioms: Candidates are driven to politics solely to enjoy privilege, power and income; the winning party has complete governmental control; the government's economic powers are unlimited; the government's only limit on power is that it may only restrict political freedom to avoid a coup d'état; and finally and most critically, every agent within the system acts completely rationally at all times, pursuing its goals at a minimum of cost and only making decisions where the "marginal return exceeds marginal cost" (Downs 137). In this system, political parties only formulate the kinds of policies that will maximize their votes, and citizens only vote for the candidates that will prove most advantageous to them. The only condition on which Downs acknowledges that citizens may in fact vote against their most advantageous alternative is when they are suffering from imperfect information. By this he means that parties may not know what citizens want, citizens may not know what the government is doing, and the information to correct either of these knowledge gaps may be too costly to gather, compared to the benefit of attaining it. (Downs 139) In his view, most, if not all peculiarities of a political system may be explained by imperfect information. For instance, party ideologies exist because they spare citizens the resource cost of analyzing every possible issue to ensure his or her maximum benefit, as this is already embedded in the ideology of the party, where ideology is defined as "verbal images of 'good society' " (Downs 141). Furthermore, what have been considered irrational aspects of modern democracies are all rooted in the logic of economically rational responses:

Apathy among citizens toward elections, ignorance of the issues, the tendency of parties in a two-party system to resemble each other, and the anti-consumer bias of government action can all be explained logically as efficient reactions to imperfect information in large democracies. (Downs 149)

The cost of information keeps society perpetually in a cycle of imperfect knowledge on behalf of both government and citizens.

A second model of rationality in politics comes from the limitations of citizens themselves, rather than from the all-encompassing rationality based more or less on cost-benefit analyses. This *bounded rationality* sees the citizen as a limited organism, lacking the

computer-like analytical power needed to make the optimal decision in every complex situation. Bounded rational behavior (also called procedural rationality) occurs when the decision-maker tries to act as efficiently as possible within the limits inherent in their human nature. (Simon 294) In Simon's words, bounded rationality is "... behavior that is adaptive within the constraints imposed *both* by the external situation and by the capacities of the decision-maker" (294). Bounded rationality has its roots in behaviorism, but unlike its intellectual roots, it embraces the inner workings of its subjects and expects its theories to describe the many and complex processes of the information-processing human mind. (Simon 295) However, neither economic rationality nor bounded rationality hold very much predictive power over political situations without extensive empirical research to determine the specifics of any situation; simply applying the principles will not be enough (Simon 303). However, the notion of political action as a decision motivated purely by rationality, whether bounded or otherwise, has come under fire.

In *The Political Brain*, Drew Westen argues persuasively for the power of emotion, rather than rationality, to inform our voting decisions. He argues that the structure of our brains grants emotions primacy over reason, likening the two to a horse and rider: reasoning may pro and pull on the reins, but ultimately, emotion is the one actually moving forwards. (62-63) Appealing to the emotional part of the political brain, he writes, is the central reason why Republicans have, overall, done better than Democrats in recent history: while Democrats have leaned on facts and figures – the cold, hard, cerebral evidence of a rational appeal – Republicans have painted with a broader brush, putting the stuff of rational decisions into an emotional context and appealing to people's wishes, fears and values. In order to appeal more effectively to the people whose votes you wish to garner, Westen suggests four goals for the aspiring electoral champion:

The first goal transcends any given candidate: to define the party and its principles in a way that is emotionally compelling and tells a coherent story of what its members believe in, and to define the other party and its values in ways that undermine its capacity to resonate emotionally with voters. This is the first goal of any campaign because the way voters experience the party is the first influence on the way they will experience the candidate. The second goal of an effective campaign is to maximize positive and minimize negative feelings toward its candidate, and to encourage the opposite set of feelings toward the opponent. ... The third goal of a campaign is to manage feelings towards the candidate's *personal characteristics*. ... The fourth goal is to manage positive and negative feelings toward the candidate's policies and positions. This goal is not only fourth but a *distant* fourth. (137-140)

Few topics on an electoral agenda are as complicated, cerebral and laden with statistics as the economy. Complex economic theories and dense statistical analyses are highly unlikely to stoke much emotion in the average voter, one way or the other. A good electoral strategy would be one that plays towards this, and creates a narrative that is both coherent and emotionally appealing, rather than intimidate with dry numbers and percentage-driven appeals. To Westen, marketing and advertising is the key analogy to make sense of modern political strategy; in fact, he remarks of the overall Democratic electoral approaches of recent history, "If this is how Coke marketed itself, we would all be drinking Pepsi" (169).

Evidence suggests that emotional responses are a motivating factor when it comes to participation in the political process. Jost and Sidanius write that research on cognitive processes and social cognition "... has so dominated political psychology and neighboring fields for the last 20 years or more ... [that] the role of affect and emotion has been given relatively short shrift in research on candidate perception and voting behavior" ("Mass Media and Candidate Perception" 136). Marcus and MacKuen have found that emotional response greatly correlate with political learning and political participation: Enthusiasm towards a candidate directly affected voting choice, whereas anxiety about a candidate caused respondents to focus more on learning about the situation or candidate. This emotional response guides our behavior in the time before and during an election, they argue:

Because a political campaign is a struggle between competing partisans, some citizens, though not all, experience the cut-and-thrust of politics as threatening. People unaroused will safely vote their standing choice while those pricked by anxiety will perk up, gather new information, and perhaps abandon their old habits. (Marcus and MacKuen 170)

A later study by Leonie Huddy, Stanley Feldman, Charles Taber and Gallya Lahav suggests that there is a distinction between *anxiety* and *threat*: anxiety caused people to be more wary of interventionist government policies, preferring a less direct and thus less risky approach. Threat, on the other hand, is linked with a preference for more a more active policy approach.

2.7 Ideology and Morality

There is a vast array of complex issues that may affect how a citizen casts their vote. The obvious differences between people (age, gender, race, educational level, income) as well as somewhat less obvious differences (political socialization, peer groups, family situation, religious affiliation) may all influence how an individual votes. In *The American Voter Revisited*, Lewis-Beck et al. use a model they call the "funnel of causality" to encompass all

the aspects pertaining to a citizen's final decision to vote for a certain candidate (22-23). The funnel starts out wide and narrows as it moves along the axis of time: At the widest, top part of the funnel is socio-demographics; below that, party identification; then the issues; and at the narrowest part of the funnel, the candidates. The funnel ends on Election Day, with a vote decision. Lewis-Beck et al. see party identification not as being active in or a member of a political party, but rather as a psychological identification to a party, its candidates, and the broad ideological strokes it represents. Unlike in political systems where a multitude of smaller parties represent more narrowly segmented electorates and often rule by coalition, the two major parties in the United States are often seen as *big tents* that allow for a diversity of opinion within its larger conservative or liberal umbrella.

Party identification and ideology are seen as largely stable features of a person's political make-up: though both may change throughout an individual's life, they are less likely to fluctuate from election to election (Lewis-Beck et al). Ideology, however, spans wider than party identification. As they write of ideology,

These fundamental principles imply the institutional arrangements appropriate for governance, along with values to guide political action. In this manner, an ideology summarizes a person's overall stance toward the political world. But it does far more than this. An ideology can also give political meaning to an enormous variety of observations, events and experiences that fall outside the immediate realm of politics. Ideological principles may underlie a person's ideas about appropriate family structures, the specific content of educational curriculums, the role of religion in society, and the sources of economic stress. (Lewis-Beck et al 207)

They refer to ideology as a "subjective lens" through which outside events are seen, colored, and made relevant to a person's political reality (207). In the past, political science and psychology usually saw ideology as something that mostly arose from and was influenced by structures and events external to the individual, such as political socialization (the acquisition of political attitudes from family and peers) or major historical events, e.g. the Civil War or the Civil Rights movement (Lewis-Beck et. al). Others view political affiliation and ideological preference in terms of innate traits, of which Openness to Experience and Conscientiousness is usually seen to be the determinant factor separating liberals from conservatives (e.g. Gerber et al; Carney et al.)

Haidt employs an elephant-and-rider metaphor, similar to Westen's idea of a horse and rider described above. He suggests further that whichever way the elephant (our subconscious and near-instant moral intuitions) starts to lean, the rider (the conscious,

cognitive reasoning) starts looking in that direction, and ignores everything off to the other side (Haidt 56). In other words, the instant feedback from our *moral intuition* narrows a potentially infinite field of information to a more manageable size, as the information which contradicts the intuitive decision is set aside or outright discarded: Our gut feeling says, "I don't like this!" and the brain follows up, "And here's why not!" Furthermore, Haidt writes,

[...] if you want to change someone's mind about a moral or political issue, talk to the elephant first. If you ask people to believe something that violates their intuitions, they will devote their efforts to finding an escape hatch – a reason to doubt your argument or conclusions. They will almost always succeed. (50)

If an individual already has an indication of what they want to believe, they will look for reasons why they should believe it, and not for any reason why they should not. Conversely, if they have an indication of what they do not want to believe, they will search for reasons why they should not believe it, and not for any reason why they should. In both cases, finding even a single reason to support their decision is tantamount to justification. (Haidt 84)

This is where the foundations of morality become vital: people will want to vote for what they believe is morally right, that which corresponds with their internal sense of right and wrong. Haidt likens our moral minds to a "tongue with six taste receptors" (114): in this metaphor, liberals taste only sweet (Harm/Care) and salty (Fairness/Cheating), whereas conservatives use the whole tongue. Accordingly, if one is used to tasting the bitter, sour and savory as well, a dish that is merely salty and sweet may easily come across as bland, or even distasteful. According to Haidt, people tend to fall into a *moral matrix* that provides them a "complete, unified and emotionally compelling world view" (107). These moral matrices vary from culture to culture, and there may also be several distinct matrices within any given culture, but they all build on the same moral foundations: as such, liberal and conservative policies may be seen as "deeply conflicting but equally heartfelt visions of the good society" (Haidt 109). Without understanding the moral foundations on which liberals and conservatives build their ideological worlds, and which inform the motivations for their policy preferences, one remains trapped in a conversation which is nominally about the same issue – such as Social Security, national defense, or tax policy – but where the participants in effect talk past one another as though they were speaking separate languages. Understanding moral motivation is essential to bridging the gap between "welfare queens" and "The Great Society", or between "tax-and-spend liberals" and "right-wing nutjobs". As Jonathan Haidt rightly points out, what was the matter with Kansas might not be that Republicans

hoodwinked rural voters into betraying their own interests, but rather that Democrats asked them to vote for policies that clashed with their own moral beliefs. It is not hard to imagine that anyone would vote against their wallet if they felt the moral character of their country was at stake (185-186).

In sum, then, this is what the evidence suggests. There are two main dimensions to an election: the fundamentals and the candidates' campaigns. The fundamentals are, for the most part, already set in place as before the campaigns begin. They consist of the historical and sociological setting of the election, as well as certain aspects of the candidates and the voters, such as the demographical and ideological makeup of the electorate. Of the different aspects of the fundamentals, the economy is generally regarded as the most important. There is very little the candidates can do to change the fundamentals: if they wish to win the election, their response to the fundamentals is key. Major party candidates are seen to be motivated, above all, by winning the election, and in order to do so, they must influence voters to vote in their favor. Of the different ways a candidate has to reach the voters and impart their message, political advertisements are likely quite effective, both due to the nature of the advertisements themselves, and as a consequence of the state of the news media and how the voting public obtains information. When deciding to vote for one candidate over another, it is unlikely that the voter evaluates all salient aspects of the two candidates in order to rationally calculate which candidate will benefit the voter the most. Rather, it is more likely that the decision is in part a consequence of internal factors, such as ideology and party affiliation. However, votes are not cast in isolation, and candidates devote significant time and resources to try and sway voters to their side. Candidates tend to try to achieve this goal by campaigning on issues, such as domestic policy or the economy, in an attempt to prime the electorate to evaluate both candidates on certain topics. Candidates, therefore, can be considered to choose their campaign themes in order to prime the voters to evaluate the election on terms that are beneficial to the candidate and detrimental to their opponent. However, simply causing the voters evaluate the election on the terms a candidate desires is not the only thing that needs doing. In order to ensure that the voters evaluate them positively on their chosen subject, candidates should also approach the subject in a way that appeals intuitively, as well as intellectually, to the voters they wish to reach.

In the next chapter, the analysis of the election will begin by discussing the most salient fundamentals going into the campaign season: the previous president, the primaries, and the roots of the economic crisis that would come roaring into view in mid-September.

Chapter Three: The Long Campaign

Setting the stage for the 2008 presidential election requires discussing the context in which the election existed: the previous presidency, the primaries leading up to the selection of the candidates, and the burgeoning economic crisis that would become an outstanding issue in the last months before the election. In a general election, the candidates will find themselves facing the historical record of their predecessor, as well as their own record in the primaries. Regardless of their party affiliation, candidates are bound to address the previous president. If the current president is popular and times are good, the candidates will profit from being seen in the same beneficial light, and if times are bad and the president is floundering, the candidates will wish to distance themselves and appear as credible alternatives, promising success and prosperity.

Furthermore, they will be faced with their own, very public statements from the primary season immediately preceding the general election. During a primary election, the candidates appeal to their own base: a candidate must first garner the most possible votes from his or her ideological peers in order to reach the point where they can focus on the general election. Moreover, they will attempt to differentiate themselves from other primary candidates and hopefully woo voters from the opposition's camps. It is generally assumed that candidates will appeal to their party base during primaries, and thereafter moderate their statements in the general election in order to appeal to the median voter in the populace. However, they are also constrained by their primary performance in how much they may moderate their positions (Adams and Merrill 2008, 345-46). Once the primaries end, both candidates leave a wake of party-centric policy statements and erstwhile opponents who must now appear as credible supporters.

Finally, the economic crisis that became so central to the election was long in the making. As will be discussed, the roots of the financial crisis were decades old, vast, and complex. There would be no simple answer to give to the question of how it could happen, and no single company, agency, or administration on which to heap the blame. However, for all its complexity the crisis became more salient, rather than less: when no simple answer could be found, the candidates' positions were thrown that much more into stark contrast. Given the seemingly overnight collapse of Wall Street, an icon of wealth and prosperity in popular culture and politics alike, Senators McCain and Obama faced the task of explaining to the voters not only what had gone wrong, but also how they would make it right. Though the summary provided here is by no means exhaustive, it is nonetheless a considerable

section. The goal of this section is two-fold: First and foremost, it is provided to underscore just how complex the situation really was on Black Monday. As time passed and much research and analysis has been done into the economic crisis, it is easy to wonder how those involved could not see the calamity coming. The fact of the matter is, however, that very few did. The second goal is to provide a concise summary of what, exactly, went wrong, in order to illustrate not only the challenges the candidates faced in trying to come to grips with what was happening, but also to show just how difficult it would be for the electorate to gain an accurate understanding of the situation. The candidates are assumed to have been motivated, at least in part, to understand the crisis in order to stake their political claim on the situation. In a crisis, the candidate who is best able to convince the public that they understand the problem will most likely have a considerable advantage going forwards in the campaign, especially if they can also persuade the voters that their opponent does not understand. However, there are also mitigating forces: It will likely not benefit the candidate to make a statement that is later proven to be wrong, or that betrays a misunderstanding of the situation on their part. This consideration likely moderates the candidates' incentive to speak up for the sole reason of being the first to respond.

3.1 The Bush Years

On January 20th 2001, George W. Bush was inaugurated as the 43rd President of the United States, after an increasingly close election that was only finally decided in the Supreme Court. Less than eight months into his first term, President Bush found himself the head of a nation horror-struck at the September 11 terrorist attacks. Following this, Bush created a cabinet-level Department of Homeland Security and committed United States Armed Forces to Afghanistan in order to dismantle the Taliban and capture Osama bin Laden, who had soon claimed credit for the 9/11 attacks. In order to avert any future attacks, the Bush administration set out to streamline the intelligence agencies and military. To deliver on his campaign promises, President Bush also enacted large tax cuts (United States, "George W. Bush").

Due to what Marc J. Hetherington and Michael Nelson identify as a *rally around the flag effect*, President Bush's popularity surged following the 9/11 attacks and well into 2002, allowing him to bolster the Republican performance in the midterms that year (42). As they point out, the Democratic congressional leaders and candidates continued to support the president on his policies in the War on Terror, despite criticizing the administration on other,

non-war related topics (38). With a newly minted Republican-controlled Congress at his back, President Bush acted on the principles laid down in the 2002 National Security Strategy, which declared that the United States would "...not hesitate to act alone, if necessary, to exercise our right of self defense by acting preemptively..." against its enemies (United States, "National Security Strategy" Chapter III). The Bush administration invaded Iraq on March 19, 2003, on the claim that Saddam Hussein was stockpiling weapons of mass destruction. However, no such stockpiles would come to be discovered, and the final CIA report noted that most of the WMD's and nuclear programs in Iraq had effectively ceased functioning after 1991 ("Key Findings"). Though the U.S. armed forces quickly captured Saddam Hussein, and George W. Bush declared the end of major combat operations in Iraq on May 1, the continued U.S. presence in Iraq would become one of many things to haunt George W. Bush's second term.

According to Gallup, George W. Bush's first-term average approval rating was 62 percent, with a high of 90 percent immediately following 9/11. His second-term average, however, was a mere 37 percent (Gallup "Presidential Approval"). In their review of George W. Bush's presidency, Pew Research Center notes that Bush's approval ratings sunk across both demographic and political groups, and notes that the drop was most severe among Republicans. The report ties the second term slide to policy shortcomings such as the failed bids for Social Security and immigration reform, as well as

...his administration's mixed record of competent governance. Between Iraq, the government's flawed relief effort in the aftermath of Hurricane Katrina, and more minor missteps over the Dubai ports issue and other matters, the government "brand" deteriorated badly during the Bush years. In late April 2008, just 37% expressed a favorable view of the federal government, about half of the percentage of five years earlier (73%). ("Bush and Public Opinion")

By the time the primary season rolled around, the President's approval ratings stood at a dismal 32%.

3.2 The Primaries

The parties did not disappoint in their display of candidates who were decidedly not George W. Bush. The Republican contenders included Mitt Romney, Mormon and former governor of notably liberal Massachusetts; Mike Huckabee, former Baptist minister and former governor of Arkansas, Bill Clinton's home turf; Rudy Giuliani, who, as Mayor of New York

City, pushed for equal rights for gay and lesbian partnerships; and Senator John McCain, regarded as a Republican with an independent streak, who had worked across the aisle to champion the Bipartisan Campaign Reform Act. The Democratic contenders included Hillary Clinton, former First Lady and New York Senator; Barack Obama, junior Senator of Illinois and former attorney and lecturer at the University of Chicago Law School; and John Edwards, who ran against Bush in 2004 as John Kerry's vice presidential nominee.

As representatives of the opposing party, the Democratic candidates already had a head start in distancing themselves from the incumbent, George W. Bush. However, the Democratic primary campaign was far more significant in that, by January 2008, it was clear that the front runners included a black man and a woman, as well as the more commonly seen well-off white middle-aged male candidate. By the time John Edwards suspended his campaign on January 30, Hillary Clinton had a sizeable delegate lead on Barack Obama for the Democratic National Convention. In the following weeks, however, the two traded caucus and primary victories, which contributed to the unusually long primary campaign for both candidates.

Meanwhile, as the election year started, Senator John McCain was slowly rebounding. Following a funding shortage in mid-2007, his campaign was forced to cut staff and expenses, with remaining key members accepting reduced pay, or forgoing pay altogether (Yoon). By the end of December, the tide seemed to have turned, as McCain gained a number of endorsements, from newspapers and notably from Senator Joseph Lieberman of Connecticut. In January of 2008, Mike Huckabee and John McCain put serious dents in Mitt Romney's campaign machinery by winning Iowa and New Hampshire, respectively. A string of primary victories on Super Tuesday, February 5, put John McCain back in the lead and revitalised Mike Huckabee's campaign (Cooper). Mitt Romney put his campaign on hold days later, citing concerns that remaining in the race would hamper the Republican effort to win the presidency and unwittingly aid the Democratic candidates (CNN "Romney suspends"). Though Mike Huckabee elected to remain in the race until "mathematically eliminated" from the contest, he too would exit the race less than a month later (CNN "Huckabee bows").

Mitt Romney's reservations about remaining in the race betrayed a common concern about the primary races. Though there may be a wide variance among candidates from the same party – as for instance between a solidly Evangelical candidate, who appeals to so-called value voters, and a fiscal conservative who is more concerned with the size and effectiveness of government than the idea of America as a Christian nation – at the end of the

day, both candidates represent the same side of the liberal-conservative divide in American politics. If one candidate spends too much time and resources attacking a fellow party candidate, even when the nomination seems a foregone conclusion, they may risk cannibalizing the party's chance of winning the general election. Moreover, if the candidates persist in negative attacks on one another in the effort to gain the nomination, they may ultimately end up providing ammunition for the other party's candidate, and at worst, poison the well for any kind of convincing reconciliation. By the end of the day, the nominee of either party will want not only their opponents, but also their opponents' supporters, at their back.

Certainly, as the Democratic nomination process stretched on, it seemed rife with the pitfalls of a long campaign: the ads and speeches from both candidates frequently attempted to undermine one another. In an interview with *Time*, for instance, a Republican strategist saw a Clinton ad, which questioned Obama's capacity to handle sudden crises, as ready-made for GOP purposes: "All we have to do ... is run her ad and put a tag on the end: 'Paid for by the Republican National Committee' " (Scherer). As the weeks turned into months, there was an ever-larger chance that any attempt at reconciliation between candidates might come off hollow and do little towards bringing supporters back into the fold. On June 7, Hillary Clinton suspended her campaign and endorsed Barack Obama, at which point McCain had already been the *de facto* Republican nominee for three months.

One point to note: As the two major party candidates for the 2008 presidential election became clear, it was also obvious that this would be an election unlike any other. Issues such as race, gender, and religion came to the forefront; clearly, there are a multitude of aspects worthy of discussion and academic analysis. However, as this thesis focuses mainly on the candidates' response to the burgeoning economic crisis, the topics of race, gender, and religion will not be considered. Suffice to say, this does not mean they did not have an impact on the election or the campaigning leading up to it, but rather that they deserve more space and consideration than is available for them here.

3.3 The Roots of the Economic Crisis

Though the economic crisis would take many by surprise, seemingly erupting in full force on Black Monday, it was in reality a crisis many years in the making. In their 2010 book, *All the Devils Are Here*, Bethany McLean and Joe Nocera detail the foundations of the mortgage crisis. No single entity is entirely at fault: rather, it resulted from a series of market and

regulation failures spanning back several decades, spreading across companies and government entities to create an unsustainable bubble.

The advent of the mortgage-backed security commodity was the start of a fundamental change in how American mortgages were created and financed. Up until then, mortgages had been primarily financed by the thrift industry – savings and loans – whose fixed 5¾ percent could not keep up with the high inflation of the late 1970s. As customers moved their capital out of the thrifts in favor of higher interest financial vehicles, there was no longer any money to back the mortgages (McLean and Nocera 4). The solution would come to be called *securitization*: by dividing the mortgages into separate parts, the parts were then bundled together into tranches and sold off to investors. Thus, a single mortgage could end up spread across several different tranches, and a single mortgage-backed security could contain any number of different mortgages. No longer simply a contract between a borrower and a lender residing in the same part of the country, mortgages had now evolved into a financial product that could be traded nationally (4-5). The meat of these products were often subprime mortgages, so called because they were created as an alternative to prime mortgages, the standard 30-year fixed rate loan offered to borrowers with a good credit rating and an adequate income. However, a lowered credit rating did not necessarily mean that one ought not to qualify for a mortgage, and lenders created the subprime loan, which offset the higher risk of default with a higher interest rate and added the mortgaged house as collateral.

Legislators and finance businessmen alike depended on two factors to maintain the health of the mortgage trade: the market forces and government legislation. The market is typically trusted to reward sound financial decisions and punish those companies whose finances, structure, or business practices were not viable. The government, on the other hand, would intercede when actions rewarded with profit by the market worked against the common good. Historically, the U.S. government has stepped in to correct such discrepancies, for instance by passing child labor laws, regulating food purity, or limiting the use and release of pollutants or chemicals. The government mostly steps in to regulate when the market suffers from *externalities*, which are costs sustained by one party due to the actions of another. Due to the fact that the party responsible for the externality does not suffer the cost of it (or suffers disproportionately little), there is no immediate disincentive to stop creating the externality, as opposed to a cost incurred directly. And so it was with the banking and the mortgage industry: when profit margins worked against the common good, the

government was expected to step in to correct the imbalance, either through legislation, as a disincentive, or subsidies, as an incentive.¹¹

Republicans and Democrats alike typically viewed homeownership as an undivided good for the country. As McLean and Nocera point out, owning one's own home is an integral part of the American dream: homeownership is more than having a roof over one's head, it also serves as a "statement of values" (6). Being able to own your own home suggests independence (as opposed to renting from a landlord) and putting your money and hard work into something permanent. The first page following the title page of the *Blueprint for the American Dream*, an initiative by the George W. Bush administration to increase homeownership among minorities, features the following definition:

Homeownership (noun)

1. The fact or condition of being the owner of a house, town home, condominium, apartment, manufactured home, or other lasting domicile.
Also called **The American Dream**
2. An objective as in goal or ambition, with the intent of having the safety, security and ability to have a better life through the purchase of a home. A successful plan to buy a home coincidentally enables the purchasers to improve the prospects for success for their children, while also accumulating wealth that may be used for retirement or left in an estate for the family. According to the **Blueprint for the American Dream Partnership**, when accompanied by a plan of action, homeownership is possible for most American families. (United States, *Blueprint*)

The idea of homeownership is solidly middle class, even if the homeowner may not necessarily be. Fannie Mae (The Federal National Mortgage Association) and Freddie Mac (The Federal Home Loan Mortgage Corporation) were tasked with making homeownership attainable for as many as possible of those who wanted it, and were designated Government-Sponsored Enterprises, or GSEs. This status was generally taken as an implicit guarantee that the government backed whatever mortgage debt either GSE put on their books. However, Fannie and Freddie were forced to participate in the private market. Fannie had been faltering in much the same way as the thrifts, and the implicit government guarantee meant that the GSEs were regarded as a safer bet by investors than other private companies, which allowed the GSEs to buy up mortgage-backed securities without raising questions among investors (McLean and Nocera 8-9). After all, the thinking went, should Fannie and Freddie run into

¹¹ For an excellent discussion of incentives and externalities, see N. Gregory Mankiw's *Principles of Microeconomics*, e.g. Chapter 10-12

trouble, the government would back them up, making their debt essentially akin to government bonds.

The fact that Fannie and Freddie were regarded as having the distinct benefit of the U.S. government at their back gave them a distinct advantage over private companies (McLean and Nocera 46). However, it also sheltered them from the market forces. By comparison, should a publicly traded firm make too large or risky a purchase of mortgage debt, this might put investors off and cause a decline in share price, and the board would then have to answer to its stockholders. Fannie and Freddie, on the other hand, had the luxury of arguing that they were buying mortgage debt for the greater good, as they were creating more opportunities for lower and middle-income families to buy a home, empowered by the same logic evident in the George W. Bush administration's ideas about the American Dream (McLean and Nocera 9-11, 41-43). Over time, Fannie and Freddie began keeping their own portfolios rather than simply reselling mortgages to investors in order to increase their profits. From 1992 to 1996, Fannie Mae alone almost tripled its portfolio from \$156 billion to \$416 billion. And though their credo was creating opportunity for those whom the private market may overlook, the GSEs bought fewer loans made to low-income borrowers than the market average (McLean and Nocera 46-48). In effect, the GSEs were operating in a market to which it was subject to the incentives, profit, but not the disincentives, risk.

In the private market, however, risk – that is, the potential financial losses a company stands to suffer at any given time – was the stick that was thought to keep banks and investors from making potentially destructive decisions. However, this was entirely reliant on Wall Street itself understanding the risk it assumed and acting accordingly. With the rise of securitization, wherein mortgages were compartmentalized into packages in lieu of being assessed as a single item, calculating the risk on a given bank's book became increasingly difficult. JP Morgan developed a new method to calculate risk, called Value at Risk, or VaR. This gained immense popularity among other banks, due to the ease with which it allowed risk to be calculated and represented. (McLean and Nocera 55-56). However, VaR assumed that any given day would be much the same as the one before it, calculating that any given day was statistically magnitudes more likely to yield only moderate changes in the market, rather than a crash. VaR was an accurate predictor 95% of the time, which helped overshadow the fact that VaR offered no help the other 5% of the time: in cases of unforeseen market crashes, so-called black swan events, the VaR loss calculations no longer apply (McLean and Nocera 53-55). Most banks, however, started using the VaR estimate as a worst-case scenario rather than a tool to track risk over time. The VaR model, technically the

intellectual property of JP Morgan, had been released free of charge for everyone in the market, under the assumption that the market would benefit from all participants having access to the same information calculated by the same tool. In practice, VaR became the blinders on the financial market. Instead of providing an accurate calculation of risk, it created an illusion that the potential losses *on a more or less normal day on the market* was the worst case scenario. As Wall Street started adapting the calculations underlying VaR to the new derivatives products they conjured up, firms could purchase larger amounts of subprime-backed products while seemingly maintaining low risk exposure (McLean and Nocera 51). This would eventually lead banks to assume their potential losses were far lower than they actually were, and consequently that they would need far less capital stashed away to back their investments.

JP Morgan added another innovation to the financial market: derivatives. The name reveals the function: the value is derived from another financial trade. In a 2007 article, David A. Skeel and Frank Partnoy define derivatives as "financial instruments whose payoffs are linked in some way to a change in credit quality of an issuer or issuers" (3). Thus, the difference between derivatives and securitization is that derivatives are in essence a zero-sum game: a bet is made that the value of a transaction will change over time, and one party's loss is the others' gain. In securitization, on the other hand, no one stands to gain from the original asset losing value: when the mortgages backing a security default, the security itself becomes worthless. Derivatives usually fall within one of two categories: either it is a credit default swap, or a collateralized debt obligation (CDO). In a credit default swap, bank A grants a loan to company B, and hedges the loan by essentially making a bet with a third party that company B will default. If the company defaults, the bank's losses is offset by the gains from the bet with the third party, and if the company doesn't default, the bank's loss on the bet is offset by the profits on the loan (Skeel and Partnoy 1021-22). However, the third party would often also seek to hedge on their swap, entering into a secondary swap with a fourth party, and so on. As McLean and Nocera summarize, as companies sought to hedge their risk, it became "a classic example of the old Wall Street saw that 'trading begets trading.'"(52). In a CDO, several debt obligations are bundled within a special purpose entity, or SPE, which is typically a trust or company based in a tax haven. The CDO is then sold off in parcels based on credit rating. In some CDOs, the so-called *synthetics*, the SPEs do not hold actual debt obligations, but rather a collection of derivatives such as credit default swaps, or even other CDOs (Skeel and Partnoy 1022, 1027).

The derivatives trade had many attractive qualities for the financial market. Firstly, it allowed banks and traders to hedge risky investments through credit default swaps, opening investment opportunities that might have been passed over in the past. Secondly, it allowed the market to generate new sources of revenue from already existing assets, such as mortgages. And thirdly, it created new opportunities for *diversification*, that is, spreading the risk across several parties (Skeel and Partnoy 1027-1031). As the market logic went, diversification made risk less risky (McLean and Nocera 51, 63). If a borrower defaulted on a loan, and the entire risk of the loan was on one bank's books, this default (depending on the size of the loan) could have potentially catastrophic consequences for the financial health and viability of the bank. However, if the same bank had sold off parts of the risk to other banks or investors, and perhaps even offset some of the loss with profits from this trade, then several parties would carry the potential loss in smaller, more manageable portions. Diversification, it was thought, would bolster the health of the financial market in case of losses. The obverse was that when risk was dispersed throughout the market, it could expose the whole system to unbearable strain in the case of a market collapse. This would be the classic black swan event, which was not accounted for in the VaR numbers upon which the derivatives trade was built. The black swan seemed an unlikely prospect, however, as derivatives and VaR served the market, and JP Morgan, well. By 1993, JP Morgan earned 75% of its profits in the derivatives trade, based in London, where only 15 years ago their profits were primarily from commercial loans (McLean and Nocera 52).

The growth of the derivatives trade in the United States would not have been possible without two important sets of deregulation of the financial business sector. First, as derivatives trading began to eclipse traditional banking, the Federal Reserve agreed to reinterpret the Glass-Steagall Act in order to avoid a financial trade exodus to London (McLean and Nocera, 52-53). Glass-Steagall ensured that commercial banks (that is, banks doing what most people expect of a bank: grant loans, provide savings and expense accounts for businesses and people, and so forth) were not allowed to do investment banking. Nor was any bank holding company allowed to have both commercial and investment banks under their wing. However, in 1999, after years of what the Financial Crisis Inquiry Commission (FCIC) called a "piecemeal process of deregulation through [government] agency rulings" (FCIC 54), Congress passed the Gramm-Leach-Bliley Act, or GLBA. It replaced what remained of Glass-Steagall, after the Fed reinterpretation and the 1994 Reigle-Neal Interstate Banking and Branching Efficiency Act, which allowed bank holding companies to operate in every state and superseded state regulation on out-of-state banks opening competing

branches. Between Reigle-Neal and GLBA, many large banks and insurance firms merged and absorbed ever larger shares of the market, tripling and quadrupling the value of their assets by several trillion dollars (FCIC 53). According to the report, deregulation "went beyond dismantling regulations; its supporters were also disinclined to adopt new regulations or challenge industry on the risks of innovations" (53). The market, as Alan Greenspan argued, was already regulated, regardless of whether the government was involved: market discipline would punish those who took undue risks, losses would eventually weed out the unviable companies and leave the most sound competitors to maintain the health of the financial system. The less government stepped in to regulate, the more the market would regulate itself. The question, according to Greenspan, was whether government regulation might not in fact make the marketplace regulate itself less efficiently, creating a net loss in terms of regulation (FCIC 53-54).

A second deregulatory factor to the financial crisis was introduced by the Basel International Capital Accord, which created new rules for capital requirements to accommodate the growing trade in new financial products such as derivatives. Although the Basel Accord, often referred to as Basel I, required that risky loan-based assets be offset by higher capital requirements, it also separated mortgage-backed derivatives and mortgages from other commercial loans. Tellingly, the only assets with a lower capital requirement than Fannie and Freddie's securities were government bonds. In 1996, the Market Risk Amendment to Basel I altered the capital requirements even further, by allowing banks to offset the risk accrued from other trade by purchasing mortgage-based derivatives (FCIC 49). Mortgages, and the securities and derivatives backed by them, were hugely incentivized as a result. By filling their books with mortgage-based products, financial institutions could lower their capital requirements, thus freeing up more capital for investments and raising their profits. The mortgage market jumped at the chance to fuel the growing demand.

The mortgage market itself, however, was not behaving the way regulators and banks assumed. The reason why mortgages were regarded as so lucrative compared to other commercial loans was the generally accepted idea that consumers would avoid defaulting on their homes, come hell or high water. However, as McLean and Nocera point out, many started using their property as piggy banks, rather than homes (24). Many bought houses on payment option adjustable rate mortgage (pay option ARM), which allowed the buyer to select their own rate of repayment. Often these offered highly attractive – on paper – starter rates, so low that they might not even cover the full interest, to say nothing of the actual principal. Thus, the ARM could continue accruing interest even as the borrower believed they

were paying their mortgage off. Most ARMs had hidden triggers that forced the borrower to start paying the full rate once their loan balance grew to a certain point, which would fast approach if they were only paying a portion of the interest (McLean and Nocera 134). Real estate speculators used the pay option ARMs to their advantage, typically hoping to sell the house for an even higher price than the mortgage and pocket the difference before the teaser rate expired, which became known as flipping a property (McLean and Nocera 126). Flipping only worked as long as the next person in line to buy the property believed they could sell it for an even higher price: the moment a property hit a peak price, where no one would be willing to bid any higher, the cat would be out of the bag. The party stuck with the house would quickly realize that much of property's value was illusory, if they did not already know when closing the deal. Meanwhile, mortgage broker companies were growing ever larger by offering new forms of mortgages, almost all of them subprime. As Wall Street craved mortgage-backed financial products to help draw down their capital requirements, the mortgage business abided: from 1988 to 2006, the number of loan products in the mortgage market increased from a mere 3 to a mindboggling 600 (McLean and Nocera 148).

Faced with the rapidly escalating complexity of the derivatives-driven financial market, Wall Street started relying on ratings agencies to sort the wheat from the chaff. Moody's, Standard & Poor's and Fitch were given Nationally Recognized Statistical Rating Organization status (NRSRO's), which granted them the power to bestow financial products and institutions with ratings that affected their capital requirements, creditworthiness and trade value. Ratings determined how much and what kind of investment an entity was allowed to make, and schools needed to maintain a certain NRSRO rating to be eligible for government financial aid (McLean and Nocera 112). Ratings were ever-present and indispensable to the modern financial market. The ratings agencies, however, charged fees on a rating-by-rating basis from the very clients who relied on their favorable rating to succeed, and were subject to very little government oversight. The one regulatory stumbling block was getting recognized as an NRSRO in the first place; once this hurdle was cleared, the ratings agencies operated unregulated and with a "blank check" (FCIC 119). The NRSROs were in effect not even liable for the validity of their ratings, as the ratings were considered *opinion* rather than fact, and found by the courts to be covered by the First Amendment (FCIC 120). There were two major flaws in the ratings-based approach: First, the lenders in effect outsourced their risk management to the ratings agencies. Ratings were taken at face value, and a triple-A rating – the best available – was seen as so universally trustworthy that fund managers did little or no independent research. Secondly, it imbued the ratings agencies with

a legacy they had not earned: holding themselves as prognosticators that got things right most of the time, the agencies in actuality often got them wrong, especially in black swan cases. (McLean and Nocera 112-113) The problematic nature of the fee revenue system also compounded the declining reliability of ratings: when faced with a rating they did not like, a bank could simply threaten to use a different rating agency. As a result, the market discipline the government relied on failed: the key to earning market share was to be more lenient on the client, not stricter. Making it easier to obtain a favorable rating was the only way to increase revenue, undermining the quality of the ratings to devastating effect (McLean and Nocera 117).

A final crucial point is that of human error on behalf of the mortgage brokers and borrowers themselves, whether intentional or not. Certainly, there was a great deal of fraud: for instance, financial products such as the pay option ARMs were created not to benefit the lender, but rather to feed the growing hunger on Wall Street for ever more mortgages to securitize, trade, and use to further offset their capital requirements and free up more money for investment and bonuses. Washington Mutual calculated that the riskiest mortgages were worth seven times more than the prime mortgages of old, and noted that while customers rightly realized that these mortgages were not in their best financial interests, most could be persuaded to take the plunge if the sales pitch was right (McLean and Nocera 133-134). Meanwhile, the brokers who acted as the middlemen between lenders and borrowers were compensated mostly in fees, which were not tied to whether the mortgage got paid or defaulted. Some fees were paid by the borrower, which might lead them to believe the broker was acting in their best interest; in fact, most brokers stood to gain even more from fees paid by the lender. A common such fee was the yield spread interest, which ensured that brokers were duly rewarded by the lender if they could manage to sell the borrower a high-interest loan (FCIC 90). In theory, this could be negated by the borrower shopping around for loans with different brokers and recognizing which offers are in their best interest, as the consumer's power of choice is considered one of the checks and balances of the free market. In practice, however, most Americans show a low level of financial literacy, there is a large gap between how much consumers think they know and how much they actually know, and many consumers neglect to seek out and compare different offers (Lusardi section 3.4).

In sum, the crisis was the result of several interconnected weaknesses, which were either ignored or overlooked, and allowed to grow ever more serious. Government regulation was scaled back, on the assumption that the market could regulate better and more efficiently if left to its own devices. In the market itself, arguably, the left hand did not know what the

right hand was doing. Borrowers took on ever more debt, often on terms that they did not understand, in the belief that the future gains on property values would be large enough to pay off the debt and leave them with a profit. Banks, on the other hand, traded each other derivatives on the assumption that borrowers would avoid default at all costs, and that ratings agencies could be relied upon to do due diligence and accurately rate the financial products the banks were buying according to their value and risk, all the while forcing rating agencies to rate the products they were selling less accurately in order to stay in business. Banks took on increased risk with decreased capital, assuming that securitization and diversification would protect the market from danger, when in fact it served to amplify potential losses throughout the system. Everyone thought someone else was on top of the situation, and that if losses occurred, they would be on a different bank's books, or on someone else's property.

How does this all relate to the presidential candidates' campaigns? Voters want to elect someone who could solve the problem, save the market, avoid a total financial meltdown. There is the adage that those who cannot remember the past are doomed to repeat it; likewise, those who do not understand the mistakes that have been made, are unlikely to be able to correct them. A candidate will presumptively be rewarded with votes if they can make a persuasive argument for what went wrong and why, and how they can fix it (and how their opponent cannot). The unusual aspect of the 2008 financial crisis was how quickly it went from bad to worse; that is, how suddenly – practically in the span of a weekend – the financial market went from beleaguered, but mostly predictable, to sat on the sidelines watching itself unravel. Due to the intensity of the all-day political news reporting that is prevalent during campaigns, there is no shortage of moments – gaffes, unfavorable stories, leaks – that seem like game-changers at the time, but prove to be little more than a flash in the pan in the long run. It is far more rare for politicians to find themselves thrust into such chaotic and unpredictable circumstances that prevail for months and years into the next president's term.

As the election season rolled on, it was clear that the economy was in trouble. According to the Financial Crisis Inquiry Commission Report, the collapse of the housing bubble in 2007 triggered a cascade of downgrades and devaluations of financial products endemic to the market, and uncertainty spread as banks and hedge funds were forced to mark down the value of their holdings to reflect their rapidly decreasing market price (227-228). By the end of 2007, the repercussions of the housing market collapsing became more and more evident, as Wall Street giants posted billions in losses, straining their credibility with investors as well as their capital and cash reserves, and consumer spending decreased (FCIC

256). In March 2008, Bear Stearns suffered a massive liquidity drop of \$16 billion down to \$2billion during a single week, and was acquired by JP Morgan with the government's help in the form of a \$28.82 billion loan (FCIC 288-290). Though it served to stave off disaster at the time, the Bear Stearns bailout did little to alter the course of the economy. The Federal Reserve performed stress tests on four major investment banks, based on the same conditions that had caused Bear Stearns to go under: Goldman Sachs and Morgan Stanley were considered to pass the stress test relatively well, while Lehman Brothers and Merrill Lynch failed outright (Financial Crisis Inquiry Report 297-298). In July of 2008, stories began to appear in the Wall Street Journal and the New York Times that the Bush administration was considering measures to take over Fannie Mae and Freddie Mac, should their financial woes continue; Fannie's stock had already depreciated considerably, and following the news reports, their stock plummeted a further 50% in two days (McLean and Nocera 351-352). As the Financial Crisis Inquiry Report points out, Fannie and Freddie played a crucial role in the mortgage market: lenders were more willing to provide affordable mortgage deals for borrowers if the GSEs were willing to buy those mortgages, and this allowed the GSEs to provide much needed liquidity to the crumbling mortgage market (309-310). Thus, Fannie and Freddie were allowed to purchase even more debt to bouy the mortgage market, allowing them to become the sole source of liquidity in that market, despite already owning \$5.3trillion in mortgages with less than 2% capital (FCIC 309). Against a backdrop of increasing market insecurity and the looming shadow of Bear Stearns' March collapse, the two candidates approached the convention season.

Chapter Four: Relative Calm Before the Storm

At this point, an additional dimension of campaigns may be added. The candidates, through their ads and speeches, seek to communicate to the voters – in general terms - what they intend to do once in office. This might be considered merely as a ploy to gain votes: the candidate makes promises in order to sway voters to their side, and will say whatever is necessary to win. This is a somewhat extreme version of the Downsian argument – that politicians will align themselves along the political spectrum according to what the electorate is willing to vote for – but even then, it carries some constraints on the candidate. They can not say whatever they think will get them elected, unless they are also prepared to carry those policies out. Voters may not always hold politicians accountable for everything they say, but it seems implausible at the very least to assume that they forget all campaign promises overnight once the election is decided. In fact, the opposition depends on it: Are you better off now than you were four years ago?

4.1 The Convention Speeches

Arguably the most important event of the convention is the speech given by each candidate as they accept their nomination: this is a prime platform for campaigning. According to a Nielsen report, nearly two-thirds of all U.S. households tuned in to watch the conventions in 2008, which equates to a viewership of over 120 million. Nearly 34 percent of all households watched both conventions, while 15 percent watched only the Republican convention and 15.7 percent watched only the Democratic convention ("Two-Thirds of U.S..."). Obama's speech alone garnered an estimated 38.4 million viewers, which was the most-viewed convention speech for exactly one week, when 38.9 million viewers tuned into McCain's acceptance speech ("McCain Tops Obama's..."). Among those who tuned in, it is unlikely that all were eligible voters; however, of the eligible voters in the audience, it is a fair assumption that they were also likely voters. After all, why bother to watch even parts of a political speech if one does not intend to go to the polls on Election Day? Thus, the convention speeches offer two distinct opportunities. The first is to win over politically engaged voters who have not yet settled into either camp. The second is to fire up the base: to convince and inspire those who have already committed to your campaign, in the hopes that it will not only cement their decision to give the candidate their vote, but also inspire them to

persuade friends and acquaintances to do the same. Conversely, a speech also carries the risk of negatively affecting the opponent's supporters, solidifying their decision to cast a vote in opposition to the candidate and possibly to persuade those they know. As the candidates can be expected to be well aware, the communicative potential of the candidates' speeches is great. The convention speeches may be regarded as political founding documents for a campaign. Many subjects are typically broached during a primary campaign, as those presumably most concerned with party orthodoxy take their prospective candidates for a trial run, only to fall by the wayside in the general campaign. Over the summer, as the presumptive nominees evaluate and vet potential running mates, the issues and themes coalesce into a (hopefully) unified whole as the conventions draw near. If the primary season is the prototype, the convention becomes the product launch: The chance to introduce the candidate, his or her running mate, and their political agenda as a complete package. Thus, the acceptance speech may be regarded as the candidates staking their territory, by stating their beliefs and what they see as the fundamental issues on which voters will need to decide at the polls. For this reason alone, the speeches are worth examining closely. Additionally, as has been noted, the convention speeches are more likely to reach potential voters in their original form, due to their comparatively high media coverage.

A final argument in favor of giving the nomination acceptance speeches special attention may be found in Anderson's theory of presidential legitimacy through rhetoric. Anderson proposes that, though the Constitution decentralizes power by undermining any possible sovereignty, presidents may yet become the "authors of their own legitimacy" (210). Through speech, presidents may lay claim to power and legitimacy which is strictly extraconstitutional: by aligning themselves with the legitimacy of previous presidents or events, the current president attempt to lay claim to a different, perhaps greater cause than that which they are actually concerned with, and legitimacy derived from a source which is not actually relevant. By way of example, Anderson cites President Wilson aligning his chosen cause with that of Revolutionary America: "[Wilson] thought that as revolutionary fathers had created a union of American states, he would found an international League of Nations with similar, though more general, purposes: 'As we once served ourselves in the great day of our Declaration of Independence', said Wilson, we will now 'serve mankind.' " (207) And though the theory concerns itself mostly with presidential speech, the principles also apply to pre-presidential speech, as when Franklin D. Roosevelt aligned his New Deal with Wilson's cause for "progress and justice" in his 1932 nomination acceptance speech (208).

Though the candidates have not yet attained the office of the President, by the point of their acceptance speeches, they tend to have shifted from "if" to "when". In other words, the presumptive nominees have already started discussing policy in terms of how they will govern, as though it is a given fact. Of course, only one candidate can win, but at the point of the conventions, both candidates may be said to exist in a state of being likely winners. In effect, this means that two different candidates are attempting to lay claim to the legitimacy and power of the same office. Under these terms, the acceptance speeches may be seen as a sort of proto-governing: the candidate, in their own terms and their own words, set forth not only their claim to the Presidency (for instance, that the current situation calls for a candidate such as them, or conversely, that the opponent is not a good fit for the present time) but also their intent for the office. The speech is a statement of who they are, why they ought to be elected President of the United States of America, and what they will do once this comes to pass, as it certainly must. Though the claims put forward in the nomination acceptance speech will be repeated countless times on the stump between the end of the conventions and Election Night, the spectacle of the conventions serve to make the claims more widely known and discussed. It is not unreasonable to expect that voters with even a passing interest in the election will know at least the general message of the convention speech, as they are given attention and analysis in many news media outlets. It is arguably more unlikely that they are aware of what the candidate said on the stump in some town on a long list of towns to visit before the election – unless, of course, it is their home town, or the speech or event itself proves to have some inherent newsworthiness.

4.2 Senator Barack Obama's Speech: A Journey and a Promise

The date itself was one of the most important references of the speech: it was delivered on the anniversary of Dr. Martin Luther King Jr.'s "I Have A Dream" speech, and though an explicit reference was not made until the end of the speech, the comparison was implicit from the very beginning. The speech also coincided with a second anniversary, in that Barack Obama had gained national attention for his keynote speech at the previous Democratic National Convention in 2004. The keynote speech relied heavily on the narrative of his parents and grandparents, on how America had provided opportunity through government for those who were willing to work for it, as his grandparents had through the GI Bill and Federal Housing Administration. Moreover, the message was unity. The premise of American

greatness was not just the hard work of individuals to benefit themselves, but also of the many working together. The speech posits equality and unity as the bedrock of American values throughout: equality by providing education, health care, and opportunity to all who require it, regardless of whether they can pay for it. Strength is cast not in terms of achievement (be they economic, military or technological) but in terms of ideology: "e pluribus unum" is invoked as both justification for and defense of a Democratic social policy. Finally, the speech appeals to unity across party lines, attributing conservative touchstones such as community and religion to Blue States and giving Red States their share of subversiveness and openness to "gay friends".

Obama would return to these themes in the acceptance speech in 2008, but under much different terms. By this point, late August, the economy had started to show signs of sickness beyond the turmoil in the housing market and on Wall Street. Unemployment had been growing steadily for the third economic quarter in a row, and job losses had outpaced new job openings in all but three job sectors – natural resources and mining, health and education services, and utilities – totaling net loss of almost a million jobs. More businesses were closing than were opening in the private sector, which had only in five quarters during the previous 16 years ("Business Employment Dynamics..." 2-5). In the speech, called "The American Promise", there are thematically coherent sections that reoccur throughout, creating a narrative flow.¹² While each section has been given a name based on the overall theme, that does not mean that they do not somewhat overlap. For instance, a section about McCain may also discuss the economy: however, in such a case the economy is used to make a point about Senator McCain, rather than discussed in and of itself. Conversely, Senator McCain may also be invoked to make a point about the economy. Some sections repeat twice (Moment, McCain, Economy), Foreign Policy and Change occur only once, and the most potent section, Promise, occurs three times.¹³ The Promise sections are discussed separately, while the remaining sections will be discussed as a whole.

The first section, Promise 1, called back to the speech given four years earlier, and restated the same ideas of equality creating unity, and reaffirmed this as the American

¹² The order is as follows: Promise I, Moment I, McCain I, Economy, Promise II, McCain II, Moment II, Economy II, Foreign Policy, Change, Promise III. The first paragraph that has been analyzed, for more ease of reference, begins "Four years ago..."

¹³ The opening remarks of both speeches consist of formally accepting the nomination, and a thanking of supporters and opponents, friends and family, and have not been included in the analysis of either candidate's speech. The final remark of both speeches has also been omitted from analysis, as it is a customary blessing of the audience and the nation.

promise: "...that through hard work and sacrifice, each one of us can pursue our individual dreams and still come together as one American family, to ensure that the next generation can pursue their dreams as well."¹⁴ The discussion of the American promise was also an avenue to present character traits to the audience, both through the explicit callback to his own life history, but also by casting it within – and thereby providing definition to – the American Promise of opportunity for those who work for it, regardless of their social and economic standing.

This was followed by the first of the two Moment sections, so named because both revolve around how the 2008 election was unique and how, at the present time, this was the moment to act in order to secure the principles held dear by all. These two sections serve to tie the other four themes – McCain, Promise, The Economy and Foreign Policy – together, and serve as a metaphorical hub of sorts. The first section elucidated the pressing matters facing America: The American Promise was threatened by war and economic downturn, and there was a historic call to defend it. The threat was "not all of government's making", but the consequences are laid at the feet of Washington, D.C. and George W. Bush. This is a notable juxtaposition, as it implies that government and Congress, or government and the President, are not the same thing: rather, the idea and ideal of government is separate from a set of replaceable politicians. The next five paragraphs described how the preceding 8 years, i.e. the George W. Bush' presidency, have failed to meet the American promise, by allowing inadequate health care coverage, corporate offshoring of American jobs, and declining social services for those in need, punctuated by a direct reference to Bush's widely criticized response to Hurricane Katrina. In a counternarrative to the McCain-Palin campaign's efforts to distance itself from the previous administration, the speech continued: "...next week, in Minnesota, the same party that that brought you two years of George Bush and Dick Cheney will ask this country for a third." The second section came a little over halfway through the speech, and recast the themes of the first section in terms of solutions instead of challenges. It began, "Now is not the time for small solutions" with each following paragraph starting with "Now is the time...". Now is the time to strengthen the education system; to enact health care reform; to strengthen the right of employees; to increase regulatory oversight in the financial sector; to ensure that women enjoy the same opportunities as men. While these are all fairly

¹⁴ It is worth noting that, while an explicit reference is not yet made, the word "dream" occurs five times in the speech, but only in the first and last sections. Due to the historic nomination of a presidential candidate of color, those who were already primed to consider Martin Luther King, Jr. were likely to recognize the reference to his speech. The connection is made explicit in the last section.

standard Democratic calling cards, they were all portrayed not only in terms of benefitting people involved, but also as proposals that would bolster the economy. Education is not only an opportunity to which everyone should have access, regardless of their financial situation, it is the way to compete in the global economy. Health care reform should not only provide adequate medical coverage for all who need it, it should lower the costs. Paid sick days and better medical leave is necessary so people may keep their jobs. Government oversight is necessary to protect pensions and Social Security benefits. Take-home pay should be based on the amount of work done, not the gender of those doing it.

The first section of the Economy block sought to reiterate economic concerns in terms of social policy, complementary to the view of social policy as economic concerns. Progress is measured by economic benchmarks, such as savings rates, job growth and average family income. Likewise, economic strength is measured in progressive terms: not by the number of wealthy citizens, but by the number of middle- and working-class citizens who are able to put their lives ahead of their jobs without losing their life savings or requiring seed money. The "fundamentals" – a key signal phrase for both campaigns, as is discussed closer in the context of the advertisements – of America's economy were whether or not America could live up to the promise of equal opportunity. Student loans, food stamps, and the GI Bill were mentioned in connection with higher education, depicting them all as assistance in reward to those who have worked hard, rather than as government handouts. The second Economy section was shorter, and somewhat more detailed on how to keep America's promise through economic measures, by closing unspecified tax loopholes and cutting unspecified government programs which no longer work, as well as streamlining those that do work. This concession was an important one, as cutting government spending is a GOP hobby horse: Any serious attempt to appeal across party lines must, at the very least, acknowledge that there is often room for improvement. Again, this was not depicted as a weakness of government per se, but rather as a vestigial feature, unfit for the 21st century. Again, economic progress was cast in terms of social concerns, and balanced between the public and the private, with a callback to John F. Kennedy: government cannot replace private action, and private actions cannot always substitute for government, and only through the proper balance of both can America regain its "intellectual and moral strength",

But the American promise does not end at the water's edge, and in the section on Foreign Policy lay perhaps the biggest challenge to Obama's change from candidate to nominee. Due to his long Congressional career and well-known history of military service, foreign policy was clearly a topic that ran in John McCain's favor. Obama's task was to

distinguish himself on foreign policy in some way that did not rely on political experience or military service. This is done by creating distinctions: Afghanistan and Iraq are two different wars, and McCain was tied to the failed politics of the Republican party and George W. Bush, whereas Obama represented the Democrats, the party of Roosevelt and Kennedy. These are crucial references – John F. Kennedy is widely seen as having been tough on the Soviet Union during the Cuban Missile Crisis,¹⁵ and Franklin D. Roosevelt led America through not only the Great Depression and the New Deal, but also World War II – and challenged the Republican position as stronger on foreign policy. Moreover, Iraq was specifically cast as an economic problem rather than as a foreign policy issue: it was not about defeating terrorism, liberating Iraq, or keeping America safe, but rather a "misguided war" that took America from surpluses to deficits. Obama's foreign policy approach was most clearly stated under the phrase "tough, direct diplomacy" – tough and diplomacy are not words commonly associated with one another – where the traditional military would be bolstered by administration policy. America, the speech argued, is threatened not only by terrorism and nuclear proliferation, but also by problems which fall less obviously into a military context: "...poverty and genocide; climate change and disease." Guns offer little protection against climate change, for instance: if one accepts the threat of non-military foreign policy issues, then one must also accept the need for soft power. The section also explicitly referred back to the theme of unity from the 2004 speech: "[Soldiers] have not served a Red America or a Blue America – they have served the United States of America". Keeping America safe, the message went, is too important for partisan politics. Interestingly enough, this appeal came on the tail of ad hominem attack on John McCain by way of parepsis, or mentioning something by saying it should not be mentioned: "But what I will not do is suggest that the Senator takes his positions for political purposes."

In fact, Obama's acceptance speech was a far more direct attack on McCain than McCain's was on Obama, as is discussed below. McCain had long enjoyed the Maverick moniker,¹⁶ and would use it extensively through his campaign. In Obama's speech, McCain

¹⁵ For a discussion on the pervasiveness and inaccuracy of the brinkmanship narrative of the Cuban Missile Crisis, see e.g. Sheldon M. Stern's *The Cuban Missile Crisis in American Memory: Myths vs. Reality*, Stanford: Stanford University Press, 2012

¹⁶ The origins of the Maverick epithet are somewhat nebulous. It was certainly a calling card during the 2008 campaign, but it is highly likely that part of the reason why it became so prevalent was due to the news and entertainment media latching on to it as a convenient label as well. Whereas McCain would ultimately be ambivalent on the term, he also cowrote a memoir with the title *Worth the Fighting For: The Education of an American Maverick, and the Heroes Who Inspired Him* in the paperback edition.

was tied to Bush, and most prominently so on economic issues: McCain had stated earlier in the year that America had experienced great economic progress during Bush's terms. McCain's view – through his economic adviser Phil Gramm's July statements to the Washington Post that America had become a "nation of whiners" and was suffering a "mental recession" rather than an actual economic downturn (Hill) – was posited as the antithesis to the American Promise of just reward for hard labor, and the antithesis of the many Americans who were intimately connected with the ups and downs of the economy. McCain was portrayed as inherently out of touch with the middle class, because he "does not know" and "doesn't get it" and remained ideologically indebted to the Republican political playbook. The second section on McCain was composed of a set of contrasting statements, with the intent of highlighting how McCain's policies are part of the GOP old hat, as it were. Comparing the policies of oneself and one's opponent is nothing new in politics, but the interesting aspect here is how all the subjects were invariably discussed in terms of their potential impact on the economy. Tax cuts would be enacted as an incentive to create and retain American jobs. America would become self-sufficient in oil, first and foremost for the sake of the economy. Investments and incentives for cleaner-running vehicles and renewable energy were not about pollution or carbon emissions, but about creating jobs: "five million new jobs that pay well and can't ever be outsourced", a clear appeal to those working in, or concerned about, the American manufacturing sector.

The section on Change started out with a similar set of contrasting statements, but the effect was now to find common ground rather than to display the distance between the positions. Traditional wedge issues – abortion, gun rights, gay rights, and immigration – were not treated as binary issues with a right and wrong position, but rather as areas where disagreement and consensus do not necessarily cancel each other out. Working toward a solution is not predicated on taking the exact same stance on policy. Furthermore, this section attempted a very important rhetorical shift: those who were opposed to the ideals of the Obama campaign were not opposed to its politics, but to the change it represented. The opposition was old Washington, career politicians, those with a vested interest to maintain politics as usual. Using this as a springboard, the speech reshaped one of Obama's arguable weaknesses – lack of political experience – as one of his key qualities. The overarching message was that Senator Obama did not bring change, but rather, change brought him. Furthermore, the evidence of change was not who the candidate was, but rather in the people themselves: Washington may be cynical and self-interested, but the people are not. The election was about the change that the people crave, and thus, momentum came from the

recognition that "the greatest risk we can take is to try the same old politics with the same old players and expect a different result". Again, Obama returned to an idea from his 2004 speech, namely that America's strength is derived from its people and its culture, rather than financial or military institutions. The true nature of the strength and value of American is the American promise.

The American Promise may be seen as the conceptual framework of the speech. The idea of the American promise was the starting point of the speech, and this idea was then revisited at roughly the halfway point, and again as the conclusion. In this way, the idea of the American promise was connected to the other topics of the speech, both by being repeatedly brought to mind, and by being defined and reinterpreted. The first Promise section spelled out the American promise in general terms, namely that America is a country – perhaps the only country – where opportunity is available to anyone, no matter their creed or the color of their skin, no matter who their parents are or how wealthy they might be. The second Promise section followed a discussion on John McCain and the economy. It marked a shift from how it is now, to how it will be with Obama in office, from retrospective to prospective. The promise was then fleshed out from an ideal to a set of expectations, the sum of which being "the idea that we are responsible for ourselves, but that we also rise or fall as one nation; the fundamental belief that I am my brother's keeper; I am my sister's keeper". Underlying this was an assertion that there is a role for government beyond taxation and military defense: certain problems are beyond the scope of individuals to fix, and this is the sphere in which government action rightfully belongs. The promise of America is that the well being of the people, and thereby society is the most important value: individuals should not have to cast their lot with the market forces and hope for the best for their children, their jobs and the environment.

The last section on the American Promise referred explicitly, though not by name, to Martin Luther King, Jr.'s historic speech, delivered 45 years earlier to the day. This deftly linked the American promise to the change discussed in the context of the campaign earlier in the speech: the time when black Americans lived segregated and disenfranchised is less than a lifetime removed from the black American candidate for the highest office in the nation. Moreover, it connected the tone of his own campaign to Dr. King's message of hope and aspiration of a better future. Though it was a daunting task, and a great departure from the status quo, it was by no means an impossible or unachievable dream: Obama's own candidacy stood in evidence of this. Progress is not only possible; it is the great calling of America in this vision: "... it is that American spirit – that American promise – that pushes us

forward even when the path is uncertain; that binds us together in spite of our differences; that makes us fix our eye not on what is seen, but what is unseen, that better place around the bend". The speech ended by invoking both a specific passage from Dr. King's speech and Scripture¹⁷ to underscore that the size and nature of the task is all the more reason to act, not only because it is necessary, but because those who would not act would find themselves (much like those who would not support desegregation) on the wrong side of history.

The acceptance speech of Senator Obama made clear use of the kind of misreading that Anderson calls the authorship of presidential legitimacy. Not only did Obama invoke the legitimacy of John F. Kennedy and Franklin D. Roosevelt as wartime presidents for his own credibility as Defender in Chief, he also aligned his own campaign for the White House with Martin Luther King, Jr's campaign for racial equality. Now, this is by no means to say that Obama's White House run was separate from the battle for civil rights, as the former is undeniably founded on the latter. However, the prejudice faced by Obama (and there was no doubt prejudice, as there still is, in certain parts of the electorate) was hidden, rather than overt discrimination as that faced by Dr. King, Jr. No laws needed to be immediately passed or overturned before Barack Obama could be elected, though that is not to say that the challenge he faced was not tremendously daunting and unprecedented indeed. It is merely to point out that the challenges to the political system were of different natures. No one challenged the legality of whether a black American could stand for office, though some questioned the feasibility of the candidacy.

How does the speech parse according to Moral Foundations theory? Do the arguments appeal across the ideological divide, or do they remain within the liberal moral matrix? The American promise, and the change inherent within it, is largely tied to what Haidt calls equality of outcomes: that the government has a legitimate role to even the playing field, and to serve as a counterpoint to market forces when those forces work against the common good. The enduring connection between change (a central theme to Obama's candidacy) and social progress, as espoused by the Democratic party of the 1960s, reaffirms the liberal moral matrix. It weighs heavily on the ideals of Care, Fairness and Liberty: The moral capital of America rests on how it helps those who need it the most: children, single mothers, workers who suffer the layoffs and reduced incomes inherent in corporate cost-cutting measures. These services are not handouts, but rather, the moral obligation of a society to work for the good of all. More importantly, those moral foundations that fall outside of the liberal matrix

¹⁷ Specifically, Hebrews 10:23

are addressed only in passing, if at all. Furthermore, when they are addressed, it takes the form of refutation: that is, the concerns are dismissed as untrue on their face. Of course government should not hinder private citizens in their daily lives; of course the market should be the prime generator of growth and that hard work and success should be duly rewarded; of course wasteful spending should be eliminated. Government cannot replace individual responsibility, but the enduring message is that government action is what is needed. To a listener whose morality weighs loyalty to nation and adherence to the tradition of their fathers and to the tradition of God, there is little to sate their concerns.

4.3 John McCain's Speech: The Right Man for the Job

One week after the Democratic National Convention in Denver, John McCain held his acceptance speech to the Republican National Convention in St. Paul, Minnesota. Unlike Obama, John McCain had a long career in politics behind him, and as such had the opportunity to run on his credentials: throughout the speech, he would return to his life experiences, allowing anecdotes to serve as rationale for and affirmation of his candidacy. Compared to Senator Obama's speech, the McCain speech leaned less on thematic repetition, visiting most topics once and only returning to Character and The Fight at the very end.¹⁸ Moreover, the speech focused comparatively more on the candidate and less on the opponent. Where Obama would return to his opponent several times, McCain focused more on his own candidacy, keeping references to Obama almost entirely within the context of the standard contrasting passages, where the listener is told of the candidate's agenda compared to what their opponent will allegedly do.

The speech started with a broad appeal to the electorate: whether they support McCain or Obama, they are all Americans, and as such, had a common ground that was wider than gulf of their differences. This appeal to voters as Americans, responsible to something greater than their own partisan preferences, would recur throughout the speech. Those willing to work together across party lines are patriots, presumably motivated to work together for the good of America. The label of patriot is not insignificant, as it denotes sacrifice and service to a nation's cause above oneself.

¹⁸ The sequence of the speech is coded as follows: Patriots, Character, The Fight, Values, New Governance, Foreign Policy, Washington, Character II and The Fight II.

The next section served as an introduction of Sarah Palin's vice presidential candidacy, and is an important frame for understanding the McCain campaign as a whole. Sarah Palin was a relative unknown at the time of her being announced as vice presidential candidate for John McCain, the day after the Democratic National Convention. She was halfway through her first term as Governor for Alaska, after having served two terms as mayor of Wasilla, and unlike Joe Biden, had very little exposure on the national political scene before the nomination (Cooper and Bumiller). The list of accomplishments presented to her name are well tailored to appeal to a conservative voter: she is a tax-cutting, small business-running, executively experienced mother of five who knows what it's like to worry about mortgage payments. According to Brox and Cassels, the selection of Sarah Palin was made to satisfy four criteria for the vice president: to restore McCain's maverick image; to attract women voters; to distance the campaign from George W. Bush; and finally, to excite the Republican base (352). The attempt to bolster McCain's Maverick bona fides was obvious in this section. McCain defined the term "maverick" to mean that he understood who he's working for, and credited Palin with the same quality: They were beholden not to lobbyists or party officials, but to those who would vote for them in the first place. On this basis, McCain and Palin claimed to be the change needed to overturn the "the old, big spending, do nothing, me first, country second Washington crowd".

McCain went on to lay out what he believed to be worth fighting for, the *raison d'être* of his campaign. The fight was, by and large, an extension of the maverick ideal described in the preceding section: to curb wasteful spending, to end corruption, to keep lobbyists from buying their way in Washington, without regard for the political fallout. Again, loyalty to the electorate and the good of the country went before most anything else, and the foremost task of Senator McCain and Governor Palin was to fight to restore Washington, to restore the principles of the Republican party, and to restore the people's trust in government by changing it for the better. This led into the section named Values, which went far in suggesting that the values of the Republican party are the true values of America, as the trust people ought to have in their government may only to be restored by returning to the core tenets of Republican conservatism. This section was notably rich in the kind of language that sacralizes the conservative moral foundations, to borrow Haidt's term: though the values espoused may be boiled down to fiscal frugality, small government, limited rights to abortion and judicial restraint, they were couched in a very different language. Low taxes and spending discipline was needed so that people would not be robbed of the fruits of their labor. A culture of life, faith, service, a strong defense and impartial judges were necessary to

protect families and communities. Government should be small so as not to impede the natural creativity and initiative of the American people: those encumbered by government will not reach their God-given potential. These are the true values of the Republican campaign, based on the party of Lincoln, Roosevelt and Reagan – a clear reference, and counterpart, to the forebears of Democratic values invoked by Obama in his speech.

Following on these values would create a new government, implicitly different from that of George W. Bush and explicitly different from that espoused by Barack Obama. Without getting into specifics, McCain contrasted his own policy proposals with those of his opponent, and whereas some were predictable – lowered taxes and job creation with McCain, higher taxes and job market constriction with Obama – others were less so, such as the discussion on energy independence. This term was largely a euphemism for increased domestic energy production in the form of expanded fossil fuel extraction. However, the impetus for this was solidly based in foreign policy: increased domestic energy production would allow America to "stop sending \$700 billion to countries that don't like us very much". Moreover, the speech called for an increase in nuclear power and alternative fuels to foster new industry and "restore the health of our planet", which – while no clarion call for carbon emissions reduction – was a more direct reference to global climate change than the opposition would give.

Perhaps the strongest card in McCain's deck was his experience in foreign policy, due to a long and storied military service, which included a long period in captivity as a prisoner of war during the Vietnam War. These experiences would form a solid background upon which McCain drew to take sometimes-controversial stands (within the Republican party, at least) on issues such as torture – the so-called enhanced interrogation techniques – of detainees in American custody, which he opposed. The section on foreign policy attempted to strike a balance between military strength and diplomatic measures, highlighting the need for good relations with other nations to avoid future conflicts. The fact that Senator McCain personally knows the effects of war, both on those who serve and on their families, was offered as proof positive that he would avoid belligerence without sacrificing strength. The next section of the speech continued to appeal on the basis of personal character and experience: McCain's long career in Congress was offered as evidence of his willingness and ability to work across partisan lines. Both candidates would offer their version of why Washington was broken and why they were the ones to fix it, and both campaigns tried to co-opt change. McCain put forward that partisan rancor and self-interested politicians had caused Government to stagnate in a 20th century slump: his would be the campaign to reach

out to all Democrats and Independents willing to work together – those willing patriots from the opening remarks – for the good of the nation. At the end of the speech, McCain revisited his wartime experiences to show how they shaped him as a man. Calling his capture by the North Vietnamese Army in Hanoi being "blessed by misfortune", McCain recounted how the kindness and support of his fellow captives and the strength of his convictions helped carry him through five years in captivity, and how the experience humbled and strengthened him to become a servant of his country above anything else. This very same dedication to America was what compelled Senator McCain to run. To serve as president was not a calling based on personal greatness or fate, but a calling to repay the nation for his own salvation. The last section of the speech revisited the theme of a fight, recasting it not as the personal fight of a politician on behalf of his constituents, but as a fight in which all Americans should join. The call to participation, whether in politics or in civil or military service, is not only one of personal improvement, but the call to serve a cause greater than oneself.

It is clear that McCain appealed strongly to the more conservative moral foundations. Drawing clear parallels between military and political service weighs heavily on the Loyalty foundation: military service, after all, is one of the greatest acts of loyalty to one's own group one may ever commit to. Furthermore, the speech regularly appeals to the religious convictions of the listener: the personal qualities, rights, and potential of Americans have their source in God rather than in secular values. The authority to rule comes from a free people, and those in power who violate that principle must be taken to task, whether they are a foreign power, like Russia, or those in power in Washington whose actions unjustly encroach on their constituents. Government is there to provide choice and opportunity for people in all areas of public life, from tax policy to the school system: "all you ever asked of government is to stand on your side, not in your way". Conversely, anyone rooted in the liberal moral matrix will find little to stoke their passions. Systemic challenges – failing schools, climate change, pollution, a shrinking job market, declining wages – will all be solved by the market, with very little government involvement, at the mercy of profits and the invisible hand. The panacea, as it were, is increased choice: the government should cut taxes to allow people to "save, spend and invest as [they] see fit", or allow parents to select a different school should the one their child attends not meet their standards. Contrary to the instincts of someone attuned to see oppression in terms of systems and structures, the access to opportunity is seen to be equal for all. If lack of choice is truly what keeps a failing system running, and the solution is more freedom and individual responsibility, then the implicit assumption is that an even playing field is the state of nature in a free country.

Taking the acceptance speeches as the constitution of a campaign, so to speak, from which the important issues and overall themes may be derived, it is clear that both campaigns assumed the correct approach according to Vavreck's typology. Obama's speech focuses on the economic conditions to a great extent, and frames the election in economic terms. The moment is historic, and the challenges the nation faces demand action. The legitimacy of the candidacy is not primarily vested in Obama himself, but in the solution he champions. This is very much in line with the expectations of a clarifying campaign. McCain, on the other hand, stresses the value of character in politics: the failings of the system are due to those who are corrupt or neglectful of their responsibility to the electorate, and the legitimacy of his candidacy is rooted in his ability to fight for the values embodied in American society. He is a servant of the people and of the nation itself, humble and true to this cause above all. In this way, the campaign is true to the insurgent typology: the goal is to shift the focus from the faltering economy – which certainly does not go unmentioned, but is seen as a symptom of the failings of government – to an area which the campaign may successfully claim as their strength. However, though convention speeches are certainly an important way to communicate a campaign's political platform, it is also a single speech on a set point in time. In order to gain a more complete picture of the respective campaigns, a broader examination is necessary.

4.4 The Stump Speeches: Aggregate Campaigning

Though they may not have the same reach as a convention speech, stump speeches are still an important political tool. Though they may often be more or less the same speech, slightly rejiggered and customized to fit the location and occasion, in aggregate they become the "repository of the campaign main message" (Tuman 47). As such, they may be coded and analyzed to test whether or not the campaigns acted in accordance with their insurgent or clarifying principles. As with the other material used for this analysis, the speeches have been divided into two categories for either candidate: speeches delivered before September 15 2008, the day of Lehman Bros.' bankruptcy, and speeches delivered between September 15 and Election Day. For the speeches held before September 15, it was necessary to set a cut-off date, as both candidates have speeches on record dating back well over a year and a half before the 2008 election. In order to make the two datasets as comparable as possible, the cut-off date was set to the day after the last of the other primary candidates for either party

withdrew from the race, as this was the point where the candidates could start focusing on the opposition rather than their fellow party members. As noted, this happened significantly earlier in the Republican primaries than in the Democratic race, and as such, there are more speeches in McCain's dataset. However, as the speeches are represented as percentages of the whole, this should not affect the analysis in any significant way.¹⁹ Though there were a number of interviews and question-and-answer sessions conducted with both candidates during this time, they have not been included in the source material, for the same reason that the debates are not part of the source material: the thesis is focused on the most deliberate political statements. Interviews, debates, and press conferences all have an element of the unpredictable and unplanned, and may be riddled with gaffes and misspoken statements. Though these are certainly interesting in and of themselves, the topic of interest for this thesis is what the candidates truly meant to say, rather than what they blurted out or miscommunicated. The speeches were coded according to majority content: most speeches contained references to several thematic areas, and as such, were classified according to the general theme of the speech. For instance, in a speech on foreign policy, the candidate may also discuss domestic policy issues such as veterans' benefits, or economic issues, such as the cost of war. However, when coding each thematic section – that is, each collection of sentences or paragraphs that deal with the same topic, using the same coherent argument – and keeping a tally for each speech, it is relatively easy to determine and quantify speech themes.²⁰

The themes are divided into four categories: Economy, Traits, Foreign Policy and Domestic Policy. The Economy category includes such themes as taxes, unemployment, job creation, prices, and markets, but it can also include themes such as energy, if it is discussed in an economic context. For instance, one may discuss drilling in the Arctic National Wildlife Refuge in several different contextual frames. If one argues that drilling should be undertaken

¹⁹ The other alternative would be to set a common cut-off point for both candidates and tally the speeches from that point onwards; however, this would be placing a fairly arbitrary artificial limit on John McCain's campaign.

²⁰ The subject of coding was one that required a great deal of consideration. On which level should one start counting, as it were? One way of coding is by simply analyzing the text in aggregate and counting how often a set of keywords (for instance, *taxes* or *entitlements*) appears in the text. However, this misses the critical dimension of context. Vavreck uses the example of creating a word count for *war*: one might find that war appears not only in the context of armed combat, but also as a *war* on drugs, *war* on poverty, et c. (54). Geer (1998) and Vavreck code based on "appeals", though it should be noted that Vavreck adds a slight tweak to reduce redundant coding (54). In the end, the approach taken here is one where coding is done on the basis of arguments: a sentence or paragraph carrying a single, coherent argument.

to foster job creation or lower prices on gas at the pump, this would be an economic frame; however, if the discussion is on increased drilling to avoid shoring up belligerent regimes abroad, this would be a foreign policy frame. Conversely, one may argue against increased drilling on the argument that that Arctic National Wildlife Reserve is a fragile ecosystem that may suffer grave and irreversible consequences from oil exploration, which would be a domestic policy frame. Thus, a single topic may end up aggregating several mentions, and thus getting counted several times, but allowing for context-based categories makes this possible without loss or distortion of information. In other words, though a candidate may discuss increased drilling in terms of creating jobs (economy) as well as in terms of energy independence from the Middle East (foreign policy), accurate coding will reflect these two different contexts, as opposed to simply noting two references to "increased exploratory drilling." Foreign and Domestic Policy are fairly straightforward; notably, global warming rests under domestic policy. Arguably, climate change is far more of a global concern than most domestic policy issues, but it has been arranged under this heading due to the fact that global warming is primarily discussed in terms of its potential impact on the United States in the source material.

The categories were constructed based in part on Vavreck's coding scheme for insurgent campaign themes, with the exception that defense spending is folded into foreign policy, as this compressed category made comprehensive coding a bit more manageable without loss of information in the context of the 2008 campaign, where defense spending was not as prominent of a discussion topic as to warrant a separate category. The least clear-cut category is perhaps the one labeled Traits: speeches and ads falling within these categories appeal primarily either on the basis of the candidate's personal fitness for the office (such a policy experience or a long career in public service); the opponent's unsuitableness for the presidency (for instance based on age, or past political associations); or the particular demands of the job (e.g., spotlighting that the role of Commander in Chief calls for foreign policy experience). All speeches were coded twice, in separate sessions, in order to make up for the fact that there is only one person responsible for the coding. Though this would not weed out incongruous categories, it should at the very least avoid miscoding or inaccurate application of the categories. The results were later compared, and found to match to a high degree.

The aggregate analysis of McCain's speeches, from March 4 2008 until September 13 2008, yields the following table:²¹

Table 1.1 McCain Campaign Speeches prior to September 15, 2008

Issue	Total	% of total speeches
Economy	9	14 %
Traits	18	28 %
Foreign Policy	13	20.5 %
Domestic Policy	24	37.5 %
Total	64	100 %

McCain's campaign follows the insurgent criteria prior to September 15: only 14% of the speeches were primarily about the economy, whereas foreign and domestic policy combined makes up over half of the speeches. However, it also shows that the spread is fairly wide: no single topic dominates the McCain campaign. Though domestic policy edges out the other insurgent themes, it does not do so by a striking majority. It is worth noting that in McCain's speeches, energy policy comes up in three contexts: economy, foreign policy, and domestic policy. Energy policy in terms of economy is mostly a discussion of the ramifications on the economy from soaring gas prices: increased expenditures for fuel has, according to McCain, led to hiring freezes, and companies found themselves forced to pass the cost on to consumers in the form of higher prices. The contextual frame for foreign policy is the same as discussed in his nomination speech: McCain objects to purchasing oil from OPEC, as it is tantamount to funding nations that are ambivalent, at best, towards the United States.²² The domestic policy angle is perhaps the most interesting, as McCain consistently links energy production with global warming, which is certainly not an orthodox position within the Republican Party.²³

An aggregate analysis of Obama's campaign speeches, from June 11 2008 until September 12 2008, reveals the following table:

²¹ The tables represent the information gleaned from the dataset: the speeches were accessed from the American Presidency Project, hosted by the University of California, Santa Barbara; the ads are hosted by the Stanford University Political Communication Lab. Links to the collections may be found in the Works Cited list.

²² See e.g. McCain: "Remarks on an Oil Rig Platform"; "Remarks at Fresno State University"; "Remarks in Jackson, Ohio"

²³ See e.g. McCain "Remarks at the Vestas Training Facility"

Table 1.2: Obama Campaign Speeches prior to September 15 2008

<u>Issue</u>	<u>Total</u>	<u>% of total speeches</u>
Economy	23	52.5 %
Traits	2	4.5 %
Foreign Policy	7	16 %
Domestic Policy	12	27%
Total	44	100%

As is evident from the numbers, Barack Obama's campaign speeches followed a well-known Democratic refrain: it's the economy, stupid. Over half of the speeches focused primarily on the economy, and only about 20% of the total speeches revolved around foreign policy or personal traits, which were arguably the weakest points of Obama's campaign. Moreover, most of the foreign policy speeches occurred either at the American Israel Public Affairs Committee Policy Conference, in response to the Russian invasion of Georgia in early August 2008, or during travels abroad, all of which areas dictated that foreign policy was an inevitable topic. Like McCain, Obama tended to talk about energy production and energy needs within the United States; unlike McCain, Obama's energy discussion was primarily in the context of the economy. Research and development into alternative fuels was first and foremost an avenue to a new industrial boom in the United States (the beneficial effects on the climate tended to come in a distant second place). Moreover, the beneficial tax agreements established for Big Oil under George W. Bush were not only a potential source of much-needed government revenue, they were also allowing oil companies to post record profits while the common consumer paid increasingly more at the pump.²⁴ As Vavreck points out, the clarifying candidate has the luxury of addressing the insurgent's chosen issues, should they so choose (67-69). The clarifying campaign has their groundwork already laid to a certain extent: as the electorate is already aware of the importance of the economy (be it ship shape or in tatters), the clarifying campaign need not spend all of their resources to bring the subject up. If the insurgent campaign has not chosen a campaign theme on which the clarifying candidate is barred from running – due to having already explicitly staked an unpopular stance on the subject, for instance – the clarifying candidate may expend some of

²⁴ For an example of this, see Obama: "Remarks at a Town Hall in Cedar Rapids"; "Remarks in St. Louis, Missouri"

their resources on splitting the vote on the insurgent topic. As an example, an insurgent campaign may choose to run on a domestic policy issue (e.g. welfare reform), but if the clarifying campaign has not already constrained themselves by choosing an unpopular position, they may then publicly state their position and surf along on the policy momentum created by the insurgent campaign's efforts to change the subject off of the economy. An example of this may be found in Obama's remarks in Dayton, Ohio on September 9, 2008. This was only a few days after McCain's Republican National Convention speech, wherein he championed his ability to enact reform in Washington, and called education reform the civil rights issue of the 21st century. Obama's speech focused on John McCain's long career in Congress, wherein he had not initiated the sort of reform he was calling for. Moreover, Obama took the opportunity to reinforce his claim that McCain was too out to touch to understand what was truly needed in Washington. In this way, Obama could afford to spend time elucidating his stance and ideas for change on a topic that the opposition had done all the groundwork to make salient to voters.

In all, the speeches given by both candidates prior to September 15 support the typology presented by Vavreck. Obama's speeches focused mainly on the economy, with some excursions to capitalize on a topic already brought to the public's attention by Senator McCain. Conversely, McCain for the most part avoided the economy, or at the very least skirted the issue, as a solid 86 percent of his speeches were primarily focused on a different subject other than the economy. Some speeches may have made the token effort to pay what amounts to political lipservice to the crumbling markets, only to then segue onto a different topic upon which an insurgent campaign may more successfully run. However, stump speeches are only part of the modern campaign. The far more controversial (as has been discussed) political advertisements are also considerable conveyors of political messaging. How, then, did the candidate's advertisements conform to the clarifying/insurgent dichotomy?

4.5 The Campaign Ads: Accentuate the Negative

In the three months leading up to September, both candidates spent a fortune on air time for their political advertising. Combined, the two campaigns purchased a total of 225,896 spot ads. These ads ran on local TV networks from the beginning of June until the end of August, of which Obama purchased a little under 120,500. In the same period, the candidates bought 1217 spots on national TV: on this front, McCain outspent Obama by a significant margin, buying 833 spots to Obama's 384 ("How Obama's Local Buys Added Up"). However, the

voters' exposure to said ads do not necessarily follow naturally from the numbers, as the nationally aired ads potentially reach a much larger segment of the population. In total, from June until Election Night, the McCain dataset consists of 68 ads, while Obama's dataset consists of 76. Some clarifications should be made before proceeding: the advertisements included in this section consist solely of candidate-endorsed English-language ads. This means that third party advocacy groups, PACs, and national party committee ads are excluded from the data pool, as is the small handful of ads that the candidates had produced in Spanish. This, as with the data limitations on the speech dataset, is in order to get at what the *candidates themselves* wanted to communicate. If an ad did not include the mandatory approval ("I'm Candidate X and I approve this message") either at the beginning or the end of the advertisement, it was removed from the data pool. If it did include the approval, the ad was taken as a bona fide expression of the campaign's, and candidate's, deliberate political message.

The ads were coded along the same lines as the speeches, using the four categories of Economy, Traits, Domestic and Foreign Policy. To reiterate from earlier, political advertisements are generally short and to the point (the vast majority are about 30 seconds long), and were therefore also coded according to subcategories, as coding simply for thematic content misses the specific meaning of the message. Simply being an economy-heavy advertisement says nothing about whether the ad focused on tax policy, or Social Security, or lobbyists in Washington. Therefore, reference content has also been coded (as mentioned, an ad may contain several references, and therefore the total number of references won't necessarily match up with the total number of ads).

The total advertisements for the two candidates tally as follows:

Table 1.3: General Campaign Advertisements Before September 15 2008

	McCain		Obama	
Ads Before September 15	27		37	
<u>Issue</u>	<u>No. of Ads</u>	<u>% of total</u>	<u>No. of Ads</u>	<u>% of total</u>
Economy	6	22 %	23	62 %
Traits	15	55.5 %	11	30 %
Foreign Policy	4	15 %	0	
Domestic Policy	2	7.5 %	3	8 %

Again, both campaigns conform to the theory of insurgent and clarifying campaigns: Almost two-thirds of Obama's political advertisements focused on the economy, whereas over half of John McCain's advertisements focused on Traits. Interestingly enough, the most prominent category of one campaign also happened to be the second most prominent category for the other campaign. For both McCain and Obama's campaigns, the negative ads were the most prominent in either category. It could be argued that the Obama campaign's advertisements were more negative, as the contrast ads often fall on the more negative side of the spectrum: the McCain campaign produced either as many or more positive ads than contrastive ones. Taking a closer look yields the following:

Table 1.4 Positive/Negative/Contrastive Major Theme Advertisements

<u>Issue</u>	McCain			Obama		
	<u>Positive</u>	<u>Negative</u>	<u>Contrast</u>	<u>Positive</u>	<u>Negative</u>	<u>Contrast</u>
Economy	16.5%	67%	16.5%	26%	56.5%	17.5%
Traits	33.5%	46.5%	20%	18%	46%	36%

Certain themes repeated themselves in the campaigns, and so too in the ads. For instance, McCain's Negative Traits ads about Barack Obama tended to follow the same narrative: Obama was an enigma, and the candidate he claimed to be was not a true reflection of him. Many of the ads featured a sound clip of a crowd chanting "O-ba-ma!" over and over in the background, and were variations on the theme of Obama being more of a celebrity than a politician: an idol that his supporters clung to more for appearance's sake than for the sake of policy or governance. Somewhat incongruously, McCain's campaign also released an advertisement on the eve of the Democratic National Convention, following several negative ads in which clips of Joe Biden and Hillary Clinton from the primary season were used as mouthpieces against Obama's candidacy. In this advertisement – the only positive ad of the election cycle that was not about the candidate himself, but rather about the opponent – McCain speaks into the camera: "Too often the achievements of our opponents go unnoticed. So I wanted to stop and say, 'congratulations'." ("Convention Night") The Positive Traits ads focused almost exclusively on John McCain's congressional work as a reformer and his military service until Sarah Palin's vice president candidacy was announced, at which point the message solidified into the Maverick brand: independent reformers who will always side with their constituents and do what's right for the country. The McCain campaign's Negative Economy ads were, unsurprisingly, focused on taxes. However, they also tap into the

negative message from the Traits advertisements, with tag lines such as "Higher Taxes, Higher Gas Prices, Economic Disaster: That's the Real Obama" ("Tax Man") and "That's the Real Obama: Ready to Tax, Not Ready to Lead" ("Maybe").

As for the Obama campaign advertisements, they were no less venomous. The Negative Traits ads certainly responded in kind: In one ad, McCain was called "Washington's Biggest Celebrity" and was shown hugging George W. Bush in a succession of clips ("Embrace"). The Maverick image also came under fire, as the Obama campaign accused McCain and Palin of being beholden to special interests in Washington, and of being political carbon copies of George W. Bush. The Positive Traits ads from the Obama campaign focused strongly on Senator Obama's patriotism and love for America, as well as Joe Biden's zeal for the cause of working class Americans. The Obama Economy Positive ads focused almost entirely on job creation, either through the expansion of new labor markets, such as renewable energy, or through the modernization of current labor markets. In "Hands", workers in hard-hit industries such as construction and the automotive industry are revisioned as engineers and high-tech machinery operators, promising that the Obama campaign will create 5 million new jobs this way. The Negative Economy advertisements go far in repeating the claim made in Obama's speeches, both on the trail and at the Democratic National Convention: McCain just doesn't get it. One ad juxtaposes the struggles of the collapsing housing market with McCain seemingly struggling to remember just how many houses he owns ("Seven"); in another, McCain's statement that the "fundamentals of [the] economy are still strong" is followed by an assertion that his policies are no different from those of George W. Bush ("No Change").

All told, the two campaigns adhered to the insurgent and clarifying campaign typology both in advertising and in speechmaking. Obama, favored as the non-incumbent party representative in a tottering economy, ran the clarifying campaign to a T: the vast majority of his campaigning was rooted in economic concern, and when the campaign strayed, it did so on the same topics as the McCain campaign's insurgent effort. As for the McCain campaign, they wisely left the economy to the side and attempted to run on the strength of John McCain's character – both politically and otherwise – and the younger, more conservative Sarah Palin. However, both the Obama and McCain campaigns would soon find themselves in a situation in which their ability to set the topic for the political conversation was all but gone.

Chapter Five: The Mid-September Surprise

Though the signs of economic downturn were growing ever more pressing, as they had been so far that year, few Americans on Main Street could have foreseen what they would wake up to on Monday, September 15, which became known as Black Monday. As mentioned in Chapter Three, both Wall Street and financial regulators had sprung into action when Bear Stearns collapsed: the hope was that this would be enough. However, over the weekend of September 12, trouble was yet again brewing. The collapse of Bear Stearns had caused many in the market to start examining their books more closely, and unrest grew in the market, as fewer and fewer on Wall Street could gauge with any confidence exactly how much their assets – in derivatives, CDOs, and credit default swaps – were actually worth.

By Friday September 12, the federal regulators and Lehman Brothers' own financial experts could no longer agree on whether the company was solvent or not: if the financial assets that backed the bank's investments were worth as much as Lehman itself claimed, the bank was solvent; its debt obligations, while considerable, did not outweigh its value. However, if the math were off, even by a little bit, the bank would be in far above its head (FCIC 324-26). If the market grew wary about Lehman's solvency, investors would likely set off a run of the same sort that gutted Bear Stearns, and that would be akin to a self-fulfilling prophecy: once investors started trying to get their money out, Lehman would have to sell off assets at firesale rates, and that would cause its value to plummet on the market. If investor confidence evaporated, all hell would break loose. After a deal with Korea Investment Bank fell through on September 9, Lehman's stock prices dropped 55% overnight. Behind the scenes, those in the know started bracing for the worst: top regulators and government officials convened to discuss the possible demise of Lehman Brothers (FCIC 329-30). The last week of Lehman's existence was one of furious activity behind the scenes: while executives on Wall Street maneuvered to try and limit their own potential losses at the expense of others, Treasury Secretary Hank Paulson was trying desperately to broker a deal for someone to acquire Lehman before it went under. Bank of America declined on Wednesday; Merrill Lynch backed out on Saturday; on Sunday, September 14, the last hope for a solution went under as British law kept Barclay's from taking Lehman over, as had been the last-minute agreement the night before (FCIR 332-37). As the markets opened for business on Monday September 15, 2008, Lehman Brothers had already filed for bankruptcy. As a result,

... the Dow plummeted more than 500 points; \$700 billion in value from retirement plans, government pension funds, and other investment portfolios disappeared. As for Lehman itself, the bankruptcy affected about 8,000 subsidiaries and affiliates with \$600 billion in assets and liabilities, the firm's more than 100,000 creditors and about 26,000 employees. (FCIC 339-40)

Meanwhile, Merrill Lynch narrowly escaped the same fate by brokering a last-minute deal with Bank of America. The effects of this tumultuous weekend would reverberate throughout the financial markets world wide, and set off unintended consequences that eventually plummeted the world economy into a deep, dark, and very long valley.

As Hank Paulson attempted to broker a lifeline for Lehman Brothers, it was becoming increasingly apparent that AIG – a far larger company than Lehman Brothers, with far more exposure in the market – was also in trouble. This caused the ratings agencies to downgrade AIG from super-safe Triple A to Double A, A, and A- which allowed investors to make good on so-called automatic collateral calls: if the company's ratings fell below a certain point, all its investors could automatically demand their money back. However, AIG did not have that money: through diversification and creative investments, it had supposedly spread its risk so thin that it was not required to keep very much capital to its name at all. AIG, unlike Lehman Brothers, had the dubious honor of being too big to fail: the potential systemic risk of an AIG collapse was so great that the government was forced to step in. Taxpayer funds, to the tune of \$182 billion, were shunted into AIG in order to keep it afloat (FCIC 346-50). Amidst all of this, Barack Obama and John McCain were trying to win an election.

5.1 The Candidates Respond

Though Lehman Brothers had clearly been troubled, few outside of the inner circle of Lehman executives and government regulators had expected a bankruptcy filing so suddenly; in fact, even the Lehman representatives themselves were taken aback, as they were more or less forced to declare bankruptcy before even assembling the full board of directors, as normal procedure would demand (FCIC 336-37). As Wall Street attempted to come to terms with the turmoil in the markets, so did the news media and the electorate. According to research done by the Pew Research Center's Project for Excellence in Journalism, the financial crisis was by far the most dominant item in the news:

The crisis not only became the week's top news story -- marking only the second time this year that an event other than the campaign emerged as the No. 1 topic of the week -- but also raised the possibility that a major policy issue, the economy, might emerge as the decisive factor of the campaign. (Jurkowitz)

The week prior, the economy – as noted, ever an important topic to the electorate – had in fact not been a significant component of campaign coverage. Between September 8 and September 14, the economy had accounted for only 4% of campaign coverage in the news, and it had exceeded 5% only once in the previous eight weeks. Almost overnight, however, the economy became the dominant theme. Not only did 46% of all news coverage focus on the financial crisis, the second-most important topic – the election – was also dominated by the financial crisis. According to the Pew research, the financial crisis alone covered 43% of the campaign newshole – that is, the space allotted for campaign coverage in the news media once advertisements have been placed or aired (Jurkowitz). Clearly, there was little left to do for the candidates to respond, whether it would serve their campaigns or not: to ignore the issue would be tantamount to pretending that it had not happened at all.

In a speech in Tampa, Florida, on September 16, McCain tackled the issue head-on. He blamed greed and corruption on Wall Street: in the endless quest for wealth, the principles of sound finance had fallen by the wayside. Reforms, according to McCain, would be the answer: reforms to expose the questionable practices of Wall Street, which had ended up gutting the financial system; reforms to ensure that people's pensions and savings aren't at risk without them knowing about it; reforms to curb financial speculation and force banks to reduce risk and perform their transactions responsibly. Though severely constrained on insurgent issues, McCain still managed to revive some of the calling cards from his pre-Black Monday campaign: Main Street needed a strong fighter to protect it from the excesses of Wall Street, and the Maverick ticket would remember who it was working for: "...the public interest will always come first." However, this was not McCain's first response to the Financial Crisis: the day before, on Black Monday itself, McCain had spoken at a town hall meeting Jacksonville, Florida, and told the attendees: "The fundamentals of our economy are strong." The economy, he claimed, was not in jeopardy (Bentley). Considering the unprecedented bailout of AIG only a few days later, and the credit squeeze – that is, the increasing reluctance of banks to issue credit or loans – moving from Wall Street to the economy in general, it would not be particularly surprising if McCain's comments sounded incongruous to many. They looked at a financial market that was collapsing under its own weight, seemingly overnight, and then to the candidates for an explanation, and a way forward.

For Obama, his clarifying campaign was far more capable not only of addressing the economy – as he had already been doing on the campaign trail for months – but of placing him in a better position to profit politically from the resurgence of the economy as a mainstay

of the election. In his speech in Golden, Colorado, on September 16 2008, Obama attributed the financial crisis not simply to greed on the part of investors and bankers, or excessive deregulation on the part of government: the financial crisis was "...the final verdict on an economic philosophy that has completely failed." The financial crisis was the last, violent dirge for the modern Republican fiscal philosophy, but McCain could only be trusted to try to keep it alive should he be elected President. The financial crisis was not simply a big financial crash, nor was it an "historical anomaly," but rather, it was the direct result of the Republican excesses of the past eight years: tax cuts, deregulation, wartime spending and tightly knit relationships with lobbyists. The solution was not to elect the same party that had caused the mess to begin with, or to put the economic well being of the country into the hands of someone whose fiscal philosophy drew from the same sources as those who had let the crisis happen while in power. The solution would be to elect someone different, to commit to change.

5.2 McCain, Interrupted

For McCain's insurgent campaign, there seem to have been two possibilities: either abandon the insurgent campaign themes and focus on the economy, potentially losing whatever gains had been made by changing the subject to non-economy issues. Alternatively, the campaign could keep going with the insurgent strategy, focusing on foreign policy and traits, all the while running the risk of seeming out of touch or unconcerned with the financial meltdown. It is important to return to the point that running on a theme other than the economy is not what classifies a campaign as insurgent: that status is decided ahead of the race, based on general economic trends and party incumbency. Vavreck's typology would dictate that the latter option, maintaining the campaign themes from before the crisis, ought to be the most rational course of action – as in, the course of action most appealing to a campaign whose motivation is to win. However, there is no accounting for crises: when the normal order seems (at least temporarily) thrown out, the less rational choice may ultimately prove more appealing. Whichever the case may be, the McCain campaign altered course.

From the speech on Black Monday until, ultimately, his concession speech on November 4, the economy became the dominant theme of the McCain campaign speeches.

Table 1.5: McCain Campaign Speeches After September 15

Issue	Number of Speeches	% of Total
Economy	19	58 %
Traits	12	36 %
Foreign Policy	2	6 %
Domestic Policy	0	-
Total	33	100 %

Clearly, the balance has shifted in favor of the economy, though not entirely. Traits are still an important part of the McCain campaign message. This also fits the explanatory frame McCain chose for most of his campaign speeches: that the financial crisis was a failure of individuals. It was a failure of those on Wall Street who did not heed the rules and chose not to invest wisely and prudently in order to turn a quick profit; it was the failure of individuals in government for not regulating and punishing those who put the financial system at risk; and it was the failure of those in Congress for being too close to lobbyists on either side of the aisle. However, simply addressing the failures which led to the financial crisis is not enough: one must also provide for those who have already been harmed, to make sure that they are not done further harm by the greed and negligence of others.

McCain would do this in two ways. First, McCain announced that he would temporarily suspend his campaign for the presidency on September 24, 2008 (and thereby postpone the presidential candidate debate scheduled two days later) in order to return to Congress and oversee legislation to address the financial crisis, which drew no small amount of criticism (Bumiller and Cooper; Nagourney and Bumiller). Secondly, McCain published an economic plan on October 14, entitled *Jobs for America: The McCain Economic Plan*.²⁵ In this plan, McCain sketched out his solution for the economic crisis: Tax credits, tax cuts and reforms for immediate help; energy and health care reform in the longer term. Moreover, the economic plan carries some signs of having been cobbled together in a hurry: the first half, which covers emergency relief measures for struggling families hit hard by the economic crisis, consists mostly of a series of bullet points with very little in the way of actual policy suggestions. The second half, however, is far more comprehensive. The bullet points have been replaced by paragraphs containing fully formed policy suggestions, backed up by facts and figures. This second half is mostly concerned with health care reform and the

²⁵ This plan was retrieved from an archived, "frozen" version of John McCain's campaign homepage, through Archive.org's Internet Wayback Machine.

McCain campaign's comprehensive energy reform plan, called the Lexington Project. This suggests that prior to the economic crisis, McCain was planning on continuing to run on his reform-based insurgent agenda, focusing

The biggest shift in McCain's campaign themes, however, is evident in the political advertising, where the economic ads truly outnumbered the insurgent issues, as can be seen below:

Table 1.6: McCain Campaign Political Advertising after September 15

Issue	Number of Ads	% of Total
Economy	28	67 %
Traits	9	21.5 %
Foreign Policy	4	9.5 %
Domestic Policy	1	2 %
Total	42	100%

Now, two-thirds of McCain's advertising falls within the Economy category. Traits are still an important topic, but this issue is now a far distant second, while Foreign and Domestic Policy have fallen more or less by the wayside. These new Economy ads are highly concerned with tax policy, especially after the man who became known as Joe the Plumber questioned Obama on his tax plan. Joe the Plumber confronted Senator Obama about his taxes going up under Obama's plan, to which Barack Obama replied: "I think that when you spread the wealth around, it's good for everybody" (Rother). As it would turn out, Joe the Plumber was really Samuel Wurzelbacher, he was not a licensed plumber, and his tax return was nowhere near the level it would have to have been in order to incur a tax increase under Obama's plan (Rother). Nonetheless, Joe the Plumber became a tack on which the McCain campaign could hang their attacks on Obama's economic plan: Obama's tax policy was little more than taking from those who work hard to give to those who do not. In "Joe the Plumber", an edited exchange between Wurzelbacher and Obama is played, wherein Obama comments: "It's not that I want to punish your success. ... I think when you spread the wealth around, it's good for everybody." This is followed by a male announcer: "Everybody? Leading papers call Obama's taxes 'welfare' [pause] 'government handouts.' Obama raises taxes on seniors, hard working families to give 'welfare' to those who pay none. Just as you suspected, Obama's not truthful on taxes." The next ad, released the week after, repeats the message: An annoyed-looking man looks into the camera and incredulously asks, "Obama wants my sweat to pay for his trillion dollars in new spending?" ("Sweat Equity")

Based on the evidence from the survey of speeches and ads, the conclusion is that McCain moved away from his established insurgent campaign issues to focus on the

economy. However, considering how completely the economy eclipsed all other campaign and news coverage in the weeks after the crisis, it is quite possible that *not* moving away from the established issues and on to the economy would have been political suicide. It is quite possible that the lack of relevant campaigning resulting from a strategy packing no economic punch might have garnered McCain very little attention at all, and certainly no beneficial attention. It may just be that the McCain campaign, under the circumstances, was caught between a rock and a hard place, and chose the route which gave them the most room to manoeuvre politically, which would be to switch focus and participate fully in the discussion of the faltering economy.

5.3 Obama and the Continued Campaign

There is no question that Obama benefitted more, politically, from the economic crisis. Campaigning as a non-incumbent means having to convince the electorate that the country is due for a change of leadership, which may be a daunting task in the face of prosperity, peace, or simply an unusually charismatic and well-liked President. However, none of this was a factor in the 2008 election: As has been noted earlier, George W. Bush was notoriously unpopular in his last term as President; the country was engaged in two different military conflicts, both of which had turned out long and exceedingly costly; and – as was becoming painfully evident – the economy was coming apart at the seams. The prosperity, which had been built up during Wall Street's last boom, was revealed as illusory as soon as the bubble burst. Therefore, the task for Obama was not so much to change the subject, or to ensure that the economy remained an important topic: history had already seen to that. Obama's campaign task was to remain convincing, to remain seen as politically viable, and most of all, to derail any attempt by the McCain campaign to return to their insurgent campaign issues.

How could Obama not continue to campaign on the economy? His speeches continued to focus primarily on the economy, as can be seen below:

Table 1.7: Obama Campaign Speeches after September 15

Issue	Number of Speeches	% of Total
Economy	25	61 %
Traits	15	36.5 %
Foreign Policy	1	2.5 %
Domestic Policy	0	-
Total	41	100%

Obama maintained his ratio of nearly two-thirds of the campaign speeches revolving around the economy. However, Traits were also notably present – with only one Foreign Policy

speech and none on the issue of Domestic Policy – nearly every speech that did not primarily involve the economy discussed Traits. Moreover, many of these speeches did not appear until at the very tail end of the campaign. From one week out until Election night, the speech narrative switched from one in which the economy played a major part, to one in which traits were almost predominantly the issue. There are two possible reasons for this. The first is that the Obama campaign discovered (or decided) that they had already hammered home their points on the economy, and could therefore broaden their appeal a little more. A second possible reason is that the McCain campaign was simply growing so unpopular on the topic of the economy that the Obama campaign saw their opportunity to try to nip any insurgent issues in the bud. Certainly, the Obama campaign received some unintended help from their opponent: for instance, in an interview with the New York Daily News, an unnamed "top McCain aide" stated that if the McCain campaign kept talking about the economy, they would lose the election (DeFrank). Moreover, McCain's plan to deregulate health care in the same manner as Wall Street banks acquired an unpleasant aftertaste, to say the very least, after the bottom fell out of the investment banks and countless billions of dollars disappeared down the drain with it. As Obama remarked in a speech in Asheville, North Carolina:

... Senator McCain wrote that we need to open up health care to - and I quote - "more vigorous nationwide competition as we have done over the last decade in banking." That's right, he wants to deregulate the [health] insurance industry just like he fought to deregulate the banking industry. And we've all seen how well that worked out. (para. 31)

Additionally, in Chillicothe, Ohio, Obama mentioned that McCain seemed to be worried about the fate of his campaign, whereas Obama was concerned about the electorate's fate rather than his own ("Remarks in Chillicothe, Ohio"). McCain was not alone in releasing an economic plan; in fact, the Obama campaign scooped him and released its own version the day before McCain had planned his release. In his economic plan, called *A Rescue Plan for the Middle Class*, job creation and economic relief are the most important steps, both of which would be achieved mainly through tax cuts and tax credits, as well as a temporary moratorium on regulations that serve to hinder the flow of cash where it is needed, such as small business investment caps (1-4).

In the last two months leading up to Election Night, Obama not only had the advantage on the economy on his clarifying campaign, he also had a tremendous edge on McCain in terms of ad buys. According to Nielsen, Obama outbought McCain almost 2:1 on local ad buys. National ad buys were less discrepant, but Obama edged McCain out by a solid margin there, as well ("How Obama's Local Buys Add Up"). The distribution of Obama's ads

in the categories needs to table, as they were overwhelmingly dominated by the economy: save for Traits-based advertisements, all 38 ads were related to the economy, one way or the other. The ads tended to fall into one of two explanatory subcategories. The first kind elucidated how Obama's planned tax cuts would help the middle class and stimulate economic growth. The second kind attempted to hammer home the point that McCain was hopelessly out of touch on the economy: he gave tax breaks to big oil; he supported companies that sent jobs overseas; he wanted to tax health care benefits "for the first time ever"; and, perhaps most damning of all, he voted with George W. Bush ("Rearview Mirror").

5.4 Troubled Assets

Five days after the financial crisis struck, in the wee small hours of the morning, the Treasury Department sent a three-page draft to Congress, outlining what would become the Troubled Asset Relief Program, or TARP. By then, Wachovia had succumbed to the financial crisis, and was bought up by a government-assisted Citigroup. The TARP draft, which would eventually enable the Treasury to purchase up to \$700 billion in toxic assets from the market, was greeted with suspicion in Congress: this would be a much larger financial intervention on the part of the government than the AIG bailouts. As the House of Representatives rejected the proposal, the markets responded by plunging ever downwards (FCIC 371-372). The lawmakers seemed to realize that they could not afford to go without TARP or some analogous reponse, and added measures intended to sweeten the deal for taxpayers. By October 3, 2008, the three-page proposal had grown into a 169-page bill, and passed in both Houses by a comfortable margin. Though it was signed into law less than a month after the financial collapse, the TARP plan did not stymie the unraveling of the markets, and even those firms who had survived the initial crash relatively unscathed were now starting to feel the heat. The Treasury Department offered a sweetheart to the nine biggest financial institutions, who held 75% of the assets in the United States between them, offering a capital injection of \$250 billion through the purchase of non-voting stock, which was meant to head any possible complaints about nationalization off at the pass (FCIC 372-74). Though TARP became arguably the most well-known of the governmental financial crisis responses, it was neither the largest, nor the most comprehensive, of the government measures to shore up the financial system.

The candidates both responded to the TARP measures in the following days. And while both supported the plan, Obama called for a more aggressive response: the government should force banks to accept a three-month moratorium on foreclosures, as well as move aggressively and fast to correct the market, including by purchasing other types of debt alongside mortgage loans. In addition, he called for increased, "common-sense" regulation to avoid a similar financial meltdown from ever occurring again ("Remarks in Toledo"). McCain, on his part, called for the government to buy and refinance mortgages, in an attempt to put a lid on the housing crisis. Furthermore, McCain, like Obama, called for the government to regulate businesses more closely. Unlike Obama, however, McCain argued that government should essentially streamline failing businesses and then "... get government out of the business of bailouts and equity stakes, and back in the business of responsible regulation." ("Remarks in Blue Bell")

Both candidates, naturally, focused their attention on measures that would help the everyday voter, such as the foreclosure moratorium and the federal mortgage refinancing plan. Both candidates also quickly returned to what had emerged as their end-stage campaign messages. Barack Obama called for unity in the nation, that the country move as one towards a shared purpose and a shared future. Though times would certainly be rough, there was also more hope now than ever before. McCain returned to his message of cutting taxes and regulation to foster growth and spending, and appealing on the strength of his character and record that he was the true candidate of change.

5.5 The Economy and the Electorate

Common sense dictates that a financial crisis of this scale ought to affect voters, both in terms of their personal lives and in terms of their decision to vote. Though the causes of the financial crisis were long in the running and slow to build, the effects of the crisis were sudden and detrimental. As Paola Sapienza and Luigi Zingales wrote in January 2009:

If a modern Rip Van Winkle had fallen asleep two years ago and woken up now, he would wonder what had happened to the U.S. economy. Two years ago, we were in the middle of an economic boom. Banks were eager to lend even at the cost of forgoing important covenants, and corporate America (and the entire world) was producing at full steam, so much so that commodities prices were rising in anticipation of a future scarcity. Today we are quickly sliding into a deep recession. Banks are not lending and commodity prices are plummeting in expectation of a dramatic slowdown of production throughout the world. (Sapienza and Zingales)

In the Financial Trust Index, Sapienza and Zingales periodically measure the public's trust in financial institutions and the government in order to track changes over time and document their causes or correlations. They found that, after the Lehman collapse, trust in the financial market and the economic system at large decreased sharply. Moreover, this decrease in trust was correlated with a decreased intention to participate in the market and increased risk of pulling investments and money out of the market. In other words, lack of trust correlates with bank runs and credit freezes, which further exacerbate adverse market conditions.²⁶ More importantly, in the context of the election, was the cause: "While the heavy losses suffered can in part explain this reduced trust, a crucial factor seems to be the way in which the government has intervened." (Sapienza and Zingales) The loss of trust in the markets coincided with a loss of trust in government, largely based on the government's performance in the aftermath of the Lehman bankruptcy. Notably, the respondents who chalked the 2008 financial crisis up to large-scale changes in the global economy, rather than government or institutional failure, were the least likely to indicate a loss of trust.

Extant research on the topic of how voters respond to the economy in an election tends to divide voters into two categories: pocketbook voters and sociotropic voters. MacKuen, Erikson and Stimson call them peasants and bankers, respectively: Peasants evaluate the economy based on their experience and the immediate past, punishing the incumbent party in meagre times and rewarding the incumbent party during good times. Bankers, on the other hand, rely less on the immediate past and more on their evaluation of the future: they may vote for the incumbent even during bad times, if they believe that the incumbent party will still bring prosperity in the future. They conclude that the electorate responds "with the sophistication of the banker" (606). Rather than myopically checking their recent past, voters rely on an informed imagination and act upon what they expect will happen tomorrow, rather than what happened yesterday. Others, e.g. Norpoth, largely support this view.

5.6 And the Winner Is...

Before the dust had settled, it was clear that Barack Obama was the winner. He had won the majority of the female vote, as well as the majority of the minority vote. Additionally, only the demographic of 65 and older had favored McCain over Obama; those who identified as Independents also favored Obama over McCain. Liberals and moderates all swung in favor of

²⁶ For evidence of how trust (or the lack thereof) affects market participation, see also Guiso, Sapienza and Zingales (2004); Guiso, Sapienza and Zingales (2008)

Obama, as well as both those in the highest and the three lowest income brackets registered by the National Election Survey (CNN, "Exit Polls").

In his concession speech, McCain joined in Obama's campaign theme of unity among Americans, to stand behind their country and their president ("Address in Phoenix"). In his victory speech, Obama hailed the idea that had brought him so far: that there was still hope, even for a nation battered by an economic crisis of a size and scope not seen in generations; that there was still hope, even for a woman born into slavery and denied her civic rights for half of her adult life; that there was still hope, even for a young man, born of a black African father to a middle-class, mid-Western mother in Hawaii, to attain the highest office in the land. That, despite all the adversity in the world, a united and inspired citizenry can do what has not been done before, achieve what was often thought of as impossible, even in the face of the greatest challenges of a lifetime: Yes we can. Through hard work and the American promise, the equality of outcomes is possible ("Address in Chicago").

5.7 The Insurgent and the Clarifier

Vavreck predicts that the campaign that inhibits the clarifying role historically has a much higher chance of success, *if* they choose to campaign on the economy (69-71). Conversely, she predicts that the insurgent campaign is already fighting an uphill battle, but that given a savvy choice of campaign issue, they may yet manage to haul the victory ashore, as Jimmy Carter did in 1976 (90). McCain's campaign clearly followed the typology before the financial crisis, only to violate the rules set forth for a successful insurgent candidate, namely to steer wide and clear of the economy when selecting an issue. However, there is good reason to think that continuing to avoid the economy as a campaign mainstay in the tumult following Lehman Brothers' bankruptcy would have tantamount to writing one's own campaign off, as the financial crisis become the end-all and be-all of both the news media and their election coverage.

5.8 Moral Foundations in a Crisis

As the campaigns spun into high gear, first to tackle the financial crisis and then simply to keep up with one another, both campaigns seem to have buckled down in their respective moral matrices. Despite earlier appeals for a new and less partisan Washington from both campaigns, they seemed to take the opposite approach as Election Day grew nearer. For

example, a speech held by John McCain in Dayton, Ohio, on October 27 includes the following quote:

He said, and I quote, "One of the tragedies of the Civil Rights movement was because the Civil Rights movement became so court-focused I think that there was a tendency to lose track of the political and community organizing and activities on the ground that are able to put together the actual coalitions of power through which you bring about redistributive change." That is what change means for Barack the Redistributor: It means taking your money and giving it to someone else. He believes in redistributing wealth, not in policies that grow our economy and create jobs. He is more interested in controlling wealth than in creating it, in redistributing money instead of spreading opportunity. (para. 3-4)

A radio address on October 18 was even more explicit, calling Obama's tax plan socialist and saying: "At least in Europe, the Socialist leaders who so admire my opponent are upfront about their objectives. They use real numbers and honest language. And we should demand equal candor from Senator Obama" ("Senator McCain's Weekly Radio Address" para. 10) This seems almost to be a case of morality-baiting: nothing about Obama's tax policy could even remotely be called socialist, but by attaching that red flag of morality to Obama's policies, it seems as though McCain tried to rile up his conservative base enough that they would vote just to avoid the scourge of redistribution. Considering the venomous rhetoric that would surface along with the Tea Party's relative ascendancy towards the 2010 midterm elections, it seems notable that they were not the first to brand then-Senator Obama a Socialist. One should note that Obama was no innocent lamb himself, but the link between George W. Bush and John McCain was, and is, rather less tenuous than the imagined link between Barack Obama and Karl Marx. Regardless, Obama's relentless campaigning on what Haidt terms equality of outcomes nonetheless cemented him firmly within the liberal moral matrix, and as firmly outside the sphere of influence for those who regard the world through conservative glasses.

5.9 Did the McCain Campaign Drown in the Economic Crisis?

Yes, and no. Those who believe wholeheartedly in the power of fundamentals, as with Fair and Hibbs, would likely argue that McCain's ship was sunk, even before it set sail. Due to the incumbent President's low popularity and approval ratings, the ongoing wars in Iraq and Afghanistan, as well as the state of the economy – slow, and getting slower! – most voters would evaluate their current situation, take a look at the current circumstances, and vote the incumbent out. Others, such as pundits and news professionals, would likely argue that there

is more to a campaign than numbers: anything can happen – such as the near-total collapse of a modern banking industry – and that the best way to know who's going to win, is to hang on for the whole ride, all the way until the Tuesday after the first Monday in November. Yet others – such as Vavreck, or Erikson and Wliezen – might argue that yes, anything can happen, but that the fundamentals are important enough that it would take quite the event to cancel the effects of the fundamentals out.

The fact of the matter is, the economy was not the only thing working in Barack Obama's favor (or to McCain's disadvantage). Barack Obama's campaign managed to create a broad coalition of young liberal women and minority voters, who were energized and dedicated enough not only to go to the polls, but to encourage others to do the same – the same coalition who, as of this writing, have just secured Barack Obama his second term as President of the United States of America. Obama's campaign used the Internet judiciously to fundraise and recruit supporters and canvassers – as anyone who signed up with their email address would know, one would hear from David Plouffe or David Axelrod about five times a day, with news or solicitations for matching funds donations. Furthermore, though Sarah Palin was chosen in order to bolster the Maverick brand and secure women voters for the campaign, she did not do particularly well at either task (Brox and Cassels). To add insult to injury, the McCain campaign seemed to blunder more than the Obama campaign, with careless statements that would then be played on heavy repeat by the media-savvy Obama campaign. Furthermore, the sudden focus on the economic collapse, and the causes thereof, allowed the Obama campaign to bring into sharp focus the fact that fiscal policy was not John McCain's strongest suit: In ads such as "His Choice" and "New Subject", McCain was more or less mocked for his lack of fiscal policy finesse.

Additionally, John McCain suffered from what the Project for Excellence in Journalism calls the snowball effect. In the media, campaign events have three phases: first, they happen and the event is covered in the media; then, the effect of that media coverage is measured; and third, the reporting then turns to the measured effects. If the campaign event is significant enough, this tends to become like the snowball running down the proverbial hill. The effect is essentially sustained by its own momentum, and the unlucky candidate is trapped inside. For McCain, the snowball was the largely negative media coverage he received after the financial crisis hit (Project for Excellence in Journalism, "Winning the Media Campaign").

Nonetheless, the sudden and dramatic collapse of the financial sector undoubtedly hindered McCain's campaign. Whether by interfering with McCain's ability to run an

insurgent campaign, or by hijacking the election coverage, or perhaps even by simply throwing the campaign a curveball it was not prepared for, the financial crisis of 2008 irrevocably dimmed John McCain's presidential prospects.

5.10 Concluding Remarks

The subject for this thesis was chosen due to an enduring interest in political psychology and economy. It seemed clear that the economic crisis – as huge, sudden, and globally significant as it was – must have affected the Presidential race in some way. As has been shown, the campaigns fit well within Vavreck's campaign typology up until September 15, 2008, when McCain shifts strategies from insurgent on Traits to insurgent on the Economy. As such, the McCain campaign violates the principles of the successful insurgent campaign, and as Vavreck's typology predicts, lost the election. Moreover, McCain did not utilize a morally inclusive set of narrative frames or arguments which could have possibly swayed disillusioned Independents and conservative Democrats to his side; rather, the language choice utilized towards the end of the campaign seemed to get more, not less, ensnared in the conservative moral matrix of Haidt's Moral Foundations theory.

Hopefully, the thesis has shown how this may have happened, as well as given an in-depth look at the ways both campaigns attempted to use the situation to their advantage through their campaign rhetoric.

However, the subject is certainly not without further intrigue: Might there, for instance, be a connection between the Tea Party insurgents, clad as they were in the rhetoric of liberty and opposition to the tax tyrants in the federal government, and Obama's rhetorical strategy of sacralizing equal outcomes and defending the classically liberal notion of big government for big problems? Such topics are still ripe for exploration by anyone willing to take the plunge.

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